



# THE SEVEN STAGES OF STRATEGIC LEADERSHIP

How to build the  
mental habits  
that enable you to  
make a living  
while making a  
better world.

*by Jeffrey Schwartz, Josie Thomson,  
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**Many young professionals** have high ambitions for their career. They want monetary reward, recognition, and a challenging career path. They also want to make a meaningful contribution, through their work, to improving the world at large. Even if they begin in a purely operational or transactional role, over time they see examples of people who have seized opportunities at a broader scale, and they want to do the same. They want to become strategic leaders.

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Strategic leadership is the ability to handle complex problems for which there is no obvious short-term solution, in which the stakes are high, and in which influencing others is essential. In our work with neuroscience and organizational research, we've found that some people become increasingly skilled in this area over the course of their career. They explicitly develop adaptive habits that make this kind of leadership possible, taking advantage of an aspect of the human mind and brain known as self-directed neuroplasticity. The deliberate, repeated focus of attention rewires and strengthens certain brain circuits, and in this way, people can build their capacity as strategic leaders.

The developmental path described in this article is based on an understanding of the relationship between the mind (the locus of mental activity) and the brain (the physical organ associated with that activity). We propose that the capacity for strategic leadership emerges as people, over the course of their professional lives, make choices that gradually change their approach to life. This path is based on observations of people who have gained this capability (albeit not always with the terminology we use here). This path is rewarding, but not always easy; it requires confronting organizational challenges in ways that can take you out of your comfort zone.

If you're a professional — whether you work for one company throughout your career or move among organizations — you've probably already experienced some of these challenges. The dynamics of any large organization — indeed, any complex human endeavor — are rife with unacknowledged interpersonal tensions, seemingly arbitrary restrictions, and murky priorities. As a young manager, you may find it hard to be heard

or be taken seriously. Later, you may be given opportunities to solve problems, but without the authority (over staff and budget, for example) that the task would demand. Eventually, you'll get authority, but your "mojo" (as business educator and author Marshall Goldsmith calls it) may wane as your responsibilities increase. And at the end of your career, notwithstanding your long string of accomplishments, you may get the sense that others are eager to push you out the door. In all these cases, whatever your job description may include, the hardest part of the job is to manage yourself: to develop your own perspective in the service of larger goals as well as your own.

**Low Ground and High Ground**

Could self-directed neuroplasticity help in this? Could proficiency in strategic leadership be strengthened over time? Could this make a difference not just for one individual but for the larger organization or system? On the basis of research into the mind-brain relationship, and of our coaching and organizational experience, we think the answer is yes. But it means intentionally engaging in a specific way of thinking when faced with difficult challenges throughout your career.

As we discovered in researching the book *The Wise Advocate: The Inner Voice of Strategic Leadership*, leaders tend to deal with day-to-day challenges by invoking one of two patterns of mental activity, and thus engaging the brain circuits associated with them. The Low Ground, as we call it, is associated with transactional leadership: making deals, solving problems, designing incentives, or making expedient decisions for short-term goals. There is also a pattern associated with strategic leadership, a High Ground, in the mind and

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brain. This High Ground is strengthened by decisions that go beyond solving problems and are oriented toward long-term viability, breaking out of self-defeating constraints, and seeking more fundamental change (see “The High and Low Ground of the mind and brain”).

You can also think of High Ground frame of mind as cultivating and listening to your personal, internal “Wise Advocate”: an inner voice that provides counsel from a loving, nurturing, and forthright perspective. In a mindful way, you see yourself and your own actions as would a trusted observer — someone who can dispassionately assess your behavior while still caring deeply about you.

At the moment of any business decision, you can choose to focus your attention on either the Low Ground or the High Ground. The more intently you do this, the easier it is to return to that pattern in the future. Over time, each decision that favors the High Ground strengthens your ability to tackle the next challenge in a strategic manner. Your career thus becomes a learning curve that can help you grow to meet the ever-increasing complexity of your life. There are at least seven challenges where your choice of a High Ground or Low Ground response will help determine whether you advance as a strategic leader (see table).

## 1

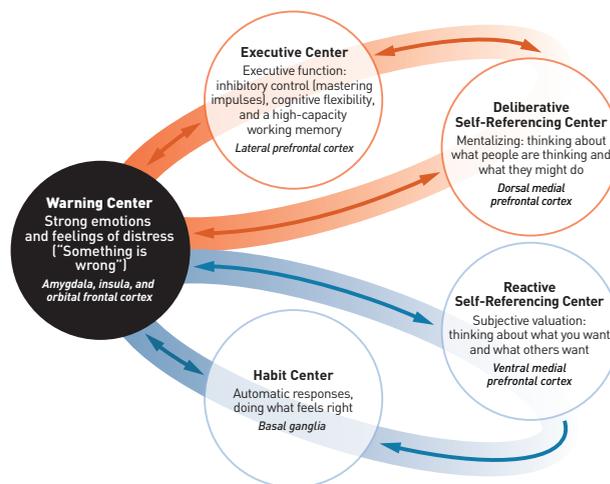
### Mastering impulse and emotion

Whenever you start a new job, you might hear two seemingly contradictory messages. First, “bring your whole self to work” — the organization needs your creativity, energy, and commitment. Second, “don’t cause trouble.” You will be judged on your discretion and co-

## The High and Low Ground of the mind and brain

As people gradually develop their prowess with strategic leadership, they manage their habitual patterns of mental activity more effectively, learning to shift deliberately between the Low Ground (shown here in blue) and the High Ground (shown in yellow).

*Text in italics represent parts of the brain associated with these patterns.*



### HIGH GROUND

A pattern of mental activity invoked when you make decisions based on long-term viability: gaining awareness by mentalizing about others and yourself

### LOW GROUND

A pattern of mental activity invoked when you make decisions based on expedience and immediate problem solving: giving people (including yourself) what they want

Source: Jeffrey Schwartz, Josie Thomson, Art Kleiner, and Wise Advocate Enterprises

operation, which in turn depend on your ability to master your impulses and emotions.

If you’re a typical young professional, you learn to resolve the contradiction by exercising the *executive function* of your mind (generally associated with the lateral prefrontal cortex, a part of the brain that is distinc-

Stage	Pattern of mental activity	Challenge
<b>1 Mastering impulse and emotion</b>	Executive function	Learning to cope with pressure by using “veto power”: the ability to acknowledge impulses and emotions while choosing not to act on them
<b>2 Thinking about what other people are thinking</b>	Mentalizing	Paying explicit attention to others’ thoughts and potential actions
<b>3 Becoming habitually self-aware</b>	Applied mindfulness	“Mentalizing about yourself”: learning to be transparent to yourself, acknowledging your hidden thoughts and motivations
<b>4 Integrating integrity with pragmatism</b>	Wise expedience	Balancing Low Ground and High Ground mental activity; learning how to raise difficult issues in a safe and constructive way
<b>5 Managing the side effects of success</b>	The mentalizer’s paradox	Resisting the cravings and temptations associated with authority and status
<b>6 Expanding your aspirations</b>	High ground at a broader scale	Giving vision and voice to broader and more significant goals; inspiring movement to achieve them
<b>7 Building a legacy</b>	Higher ground	Bringing to fruition the aspects of your true self that will sustain your lasting contribution

tively human). The word *executive* means similar things in neuroscience and business. It refers to the ability to marshal resources in a complex goal-directed fashion: planning, deferring gratification, dealing with ambiguous issues, and looking at things from multiple perspectives, all for the sake of accomplishing (“executing”) difficult and multifaceted tasks.

The three core executive functions are inhibitory control (the ability to override impulses and emotions when necessary), working memory (the capacity for mentally processing multiple levels of information at one time), and cognitive flexibility (ease in shifting perspectives and adjusting to new challenges and opportunities). Cognitive neuroscientist Adele Diamond, in her overview of studies of executive function, points out that these skills are associated with mental and physical health and can be learned at any age — but only with practice and perseverance.

Your background, upbringing, and schooling may or may not have given you the requisite level of skill in

this domain. If not, your first year in a typical workplace may be a trial by fire, in which you learn to cope with pressure without “acting out.” Impulsive behavior can be triggered by deceptive brain messages. These are thoughts, feelings, and sensations generated by habitual, near-automatic brain processes that may appear at times of stress: “I’m not good enough,” “My boss doesn’t like me,” “I’m too smart to follow the rules,” or many others.

As someone joining an organization early in your career, you will need to cultivate what neuroscientist Benjamin Libet called “veto power” (and we like to call “free won’t”): the ability to recognize brain-based impulses and cravings without giving in to them or acting on them. To do this, you call on your executive function, which in turn brings the High Ground into play. Over time, as you refrain from giving in to your knee-jerk impulses, it tends to become easier — and that’s how, early in their careers, many employees learn to appear professional.

In itself, executive function is not enough to make you a strategic leader. But it can help prepare you for the next stage of development, which involves using another kind of mental activity to engage more directly with the social nature of the workplace.

## 2

### Thinking about what other people are thinking

Suppose you're on a sales call with an important commercial customer. Your counterparts across the table press hard for a substantial discount — a cut deep enough to make the deal unprofitable. Your performance numbers depend on closing; it would be expedient to give them what they want.

But instead, you say, "Let me see if I understand your thinking." You probe a bit, and consider what you'd be thinking in the same situation, and figure out that the big concern isn't price. Your customer isn't sure that the purchase will work, and that uncertainty lowers the perceived value of the product. Your job, you now realize, is not to haggle over the price, but to build the customer's trust — in you, your company, and the product. In this context, you could suggest setting up a support group for all your customers so they could learn from (and, in the process, reassure) one another. The deal goes forward at close to the original price. By thinking about what the customers were thinking, you figured out what they needed.

This is a common sales story — so much so that skilled professionals take its lessons for granted. Don't ask what the customer wants; put yourself in the customer's shoes. The same is true for your boss, your colleagues, your suppliers, your regulators, and anyone else in your orbit. To gain trust from people, you have to acquire the skill of *mentalizing* about them. Everyone knows this is necessary, but that doesn't make it any easier.

To mentalize is to think about what other people are thinking and what they are likely to do next. Research has shown that when people pay explicit attention to others' thoughts and potential actions, it activates a part of the brain (the dorsal medial prefrontal cortex) associated with the High Ground. Over time, this activity will tend to make someone more capable as a colleague and as a leader.

Some studies have found that people with relatively low status are more likely to mentalize. The administrative assistant thinks about what the boss is thinking;

only a rare boss thinks about what his or her assistant is thinking. Your first opportunities to mentalize will appear as you find your footing in an organization — particularly if it's a participative enterprise in which authority is dispersed throughout the hierarchy. You might work regularly with dozens of people responsible for some project or outcome, each with his or her own priorities. You can't deal with that many on a transactional basis, trying to please them. You would burn out. (Indeed, we think the experience of feeling burned out may be associated with the Low Ground brain circuit, and with the deceptive messages, noted above, that emerge as you try to please people every day.)

Instead of trying to please everyone, you learn to think about what other people are thinking. This leads you to manage the flow of work differently. When asked to do something, you ask constructive questions about the thinking that led to the request, and that makes you more responsive to the fundamental needs of the situation. And you get better results. This is likely to make you noticed and appreciated: Understanding others' priorities becomes your ticket to success.

The value of mentalizing is demonstrated in historian Doris Kearns Goodwin's book *Team of Rivals: The Political Genius of Abraham Lincoln*. As the just-elected U.S. president in 1860, Lincoln recruited three former political opponents for his cabinet: William H. Seward to be secretary of state, Salmon P. Chase to be secretary of the Treasury, and Edward Bates to be attorney general. As Goodwin makes clear, this was not just a matter of recruiting them and overcoming their enmity; Lincoln sought to know what each one of them thought about the critical issues facing a nation about to engage in a civil war. The ability to share and frame their thoughts formed the foundation of a close working relationship. This is seen as one of the most important factors in making Lincoln effective as a president.

## 3

### Becoming habitually self-aware

Many companies have introduced mindfulness as a vehicle for well-being. Focusing your attention on your breath (as you do in most meditation practices) strengthens executive function, reduces anxiety (thus improving productivity), and builds your capacity to face challenges in a more resilient way. Beyond those benefits is another valuable aspect of meditation that often seems disorienting at first. The mind has a propen-

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sity to wander, and the act of refocusing your attention — bringing it back to the breath, time and time again — is in many ways the heart of meditation practice. It invokes and strengthens an aspect of mental activity that we call *applied mindfulness*.

In applied mindfulness, you become more aware of your own pattern of thoughts, including the continual flow of deceptive brain messages — “My boss doesn’t like me,” and so on — that, as we noted above, are tied to impulsive behavior. Even after you master your impulses (Stage One), deceptive messages continue to be present. But as reflection and self-awareness become more habitual, you will start to “relabel” these deceptive brain messages, recognizing them as mental activities coming from your brain, and not a representation of reality.

We call this form of reflection *mentalizing about yourself*. As you ask yourself “What am I thinking, and why am I thinking this way?” and “What am I likely to do next?” you gain a third-person perspective on your first-person experience. One powerful outcome of this stage is your increasing ability to reframe those old deceptive messages, replacing them with more constructive mental narratives about the changes and innovations you are trying to create.

Suppose, for example, that you learn your job is about to be made obsolete by artificial intelligence. Your boss suggests that with a few months of retraining, you could switch to a more secure job in data analytics. But the relevant skills are very difficult to learn, and you’ve always avoided this type of work in the past. Your anxiety stems from deceptive brain messages: “I’m no good at this, and I’m likely to fail.” You thus need to reframe your own thinking. What has led you to these

thoughts? Are they accurate? With reflection, you can create a new narrative about learning new skills: “I can be ready for this opportunity, and here’s what I need to do to master the challenge.”

Habitual self-observation is a core prerequisite for strategic leadership. You can’t help other people move past their comfort zone unless you are self-aware enough to recognize your own hidden thoughts and motivations, and reframe them where it matters.

## 4

### Integrating integrity with pragmatism

In just about every organizational role, you will see some established practice that favors short-term expedience over long-term success, in a way that does consistent damage to the enterprise. It could be an incentive structure that pits good people against each other, a habit of allocating investment based on internal politics rather than strategic priorities, or an operations schedule that ignores critical data from the supply chain. In many cases, you cannot address this issue on your own; you do not have the authority. But this problem is holding you back. You cannot do your job well unless it is addressed.

In some ways, you’re like a whistleblower, someone who sees an unethical and potentially illegal practice and must decide whether to speak up. But cases that involve illegality are relatively rare. Far more common are cases of shortsighted behaviors that can be difficult to handle or talk about. How do you bring a problem like this to the attention of people who can do something about it? How do you navigate a difficult situation in a way that is safe to your own reputation, influence, and career?

There is no manual for handling this. It's a matter of learning *wise expedience*. You balance your own integrity with the organization's or system's need for pragmatism — coming up with practical, truly win-win actions that give you the results you need without disconnecting you from your own principles. In the process, you may need to persuade people who don't work directly with you, who may not see you as sincere or credible, or who are inclined to see your issue or goals as irrelevant. You have to show them that your perspective matters to their interests.

This is often thought of as playing politics or negotiating a compromise. But a more accurate term is “satisficing,” introduced in 1956 by Nobel Prize-winning economist and management professor Herbert A. Simon. From his studies of decision making (influenced in part by his role as one of the administrators of the Marshall Plan), Simon concluded that when the outcomes are uncertain and executives are influenced by power relationships and personal loyalties, it is not possible to find a solution that truly solves every aspect of a problem. Instead of “maximizing,” an effective manager must “satisfice,” or provide a solution that satisfies enough of the situation at hand.

Most people with broad aspirations — for themselves or the organization — discover the need for satisficing, or wise expedience, sometime in mid-career. Addressing this challenge requires sophisticated skills in self-management that are difficult to put into practice. You must simultaneously pay attention to what other people are thinking (a High Ground activity) and what they want (a Low Ground activity), what you want (Low Ground), and what you are capable of (High Ground).

You may need to approach this as a campaign, gathering support from others around you one by one, until you find a way of satisficing the situation — and addressing the most important priorities as part of the solution. It may take months, or even years, to come to a clear understanding of what key people are thinking and why. You may never be able to talk about it publicly; and in the end, your reward may simply be the quiet self-awareness that you helped rescue the organization in an important (if unrecognized) way. But if you truly make this kind of wise expedience part of your managerial tool kit, then you develop a leadership voice that others recognize and respect.

A skeptic might ask, “Why would you ever believe, given all the ways that people exploit each other

or abuse their power, that anyone influential would ever listen to a lower-status voice of integrity?” The answer starts with recognizing the many times when senior leaders *aren't* exploitative: the number of occasions when people base deals and decisions on genuine trust and good judgment. As a leader with the right kind of voice and presence, you can help create more of those win-win situations.

As Adam Smith suggested in *The Theory of Moral Sentiments*, market forces are necessary but not sufficient for a well-running social and economic system. Those in authority must also cultivate virtue, which Smith defined as personally demonstrating propriety, prudence and benevolence. Habitually consulting your Wise Advocate makes it feasible to take a stand when you really need to do so — and in the process to help build your own strategic leadership capabilities, alongside a substantial, enduring, self-supporting, and scandal-resistant enterprise.

## 5

### Managing the side effects of success

As a young software engineer, Roger was always the smartest guy in the room. He could code quickly, spot flaws effectively, and complement others' work. Because he had a good grasp of technical issues, he was repeatedly promoted, moving up to lead several successful rapid-innovation teams. One of his teams developed a new approach to cybersecurity that helped the company avoid a multimillion-dollar liability — in part because Roger was able to mentalize about his fellow employees and the ways in which they might unwittingly let intruders phish them. On the strength of that triumph, he was promoted to an executive position, overseeing other software professionals.

Within two years, he was on the verge of being fired. One big problem was the way he handled meetings. He was brusque and disdainful with his peers in other departments, and even with senior executives. When he missed deadlines or made mistakes, he defensively blamed the staff who reported to him. Formerly,

he had been lauded for his ability to think about others; now, it seemed, he didn't want to bother.

It fell to his boss to convey all this to him. "You had a lot of promise," she said. "But nobody can stand to work with you."

"That can't be true," Roger protested. "I'm the only one who knows what's going on."

Roger's case is a composite drawn from several real-world examples. Indeed, stories like this are all too common. They reflect the peril of the *mentalizer's paradox*. Early in your career, you may, like Roger, master great challenges, thanks to your self-command and ability to mentalize (as Roger did in his work on cybersecurity). But as you rise, the number of people you have to think about increases. The cognitive effort and discomfort associated with mentalizing becomes more onerous. And people are more willing to tell you what you want to hear. Since mentalizing is often associated with diminished status, you may come to feel you are too important to do it. You paid your dues; now it's time for others to think about how *you* think.

The mentalizer's paradox sometimes manifests itself as a craving for other people to defer to you, so much so that you subtly test their loyalty. You might hint, for example, that your subordinates should change their plans at your last-minute request or override their decisions without good reason. The distractions of success take you back to the Low Ground: back to non-strategic, short-term, transactional thinking, focused on what you want rather than on what the situation needs.

Resisting the mentalizer's paradox is difficult, but many leaders do it. They show, not just through their words but through their actions, that they value results and integrity more than the addictive feeling of other people's deference. They often do this by taking on acts of discipline that force them to mentalize and be mindful.

Douglas Conant, for example, during his 10 years as CEO of Campbell Soup Company, sent about 3,000 handwritten notes to employees each year, typically compliments related to something that helped a business priority succeed. He blocked out half an hour per

day to do this. Leaders who are revered — who are truly influential — take the idea of servant leadership to heart. This aligns them with the High Ground. They thus overcome the mentalizer's paradox. And that sets them up for the next stage.

## 6

### Expanding your aspirations

"What would it be like to have a whole team of leaders who thought the way you do, and who considered the bigger picture beyond the merely expedient decision?"

"That's what I'm trying to develop, but it's not working."

The question was posed by a leadership coach to Tanya, a senior executive in charge of strategy for an Australian investment fund. The fund was caught between two seemingly contradictory imperatives. On one hand, in response to strong new competitors, it needed to take more aggressive risks, attract more middle-class customers, and improve its online experience. On the other hand, it had to be more cautious following the release in February 2019 of a damning report, the Australian Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry. The report had suggested more stringent, more strictly enforced regulations for the industry, and those would now become part of daily life for any investment fund.

Tanya had proposed charting a new course entirely for the firm: moving away from merely expedient solutions, and forging a new identity as an organization that invested in future-oriented, innovative enterprises. She had initiated several successful pilot projects with the hope that other executives at the fund would follow her example. But so far, that hadn't happened, and she needed to articulate an aspiration that drew them in.

Most strategic leaders reach this point. They have a good reputation within the firm and a well-established career. But they now see an irresistible opportunity to expand their scope, and thus to realize more lofty ambitions. They begin to cultivate the *high ground at a broader scale*.

Accomplishing this takes High Ground–style mental activity on several levels at once. Tanya, for instance, started by finding the core narrative in her message, the thing that she was truly excited about: helping to build a broader sustainable revenue base and learning to make the right investments. She devoted herself to understanding the issues, to recognizing and responding to the critiques people would raise (for example, Why invest in these particular startups? Won't they be too risky?) And she put herself on the line, becoming the voice of this perspective to others, reflecting the way she heard it from own inner Wise Advocate.

If you're an executive like Tanya, you have probably been building to this point throughout all the previous stages of your career. This stage could require all you have to offer in terms of mentalizing, applied mindfulness, and executive function. It will particularly test your cognitive flexibility: your ability to take multiple perspectives into account, and thus to develop approaches that go beyond any individual's priorities.

## 7

### Building a legacy

For strategic leaders, a career is a path of self-discovery. The habits developed over a lifetime, and not just at work, combine to help build a sense of your true self, the identity you seek to realize, because it is closest to who you want to be in spirit. By the end of your career, you face the challenge of determining what you will leave behind: to discern what aspects of your true self, of your aspirations and perspective, are worth passing on to others, in the context of the enterprise that you have helped to build.

As you think about where to go after leaving the organization, you may move to a still broader, deeper pattern of mental activity. Our term for this is the *Higher Ground*. The High Ground is associated with the executive center of the mind and the Low Ground is associated with the habit center. In the Higher Ground, these two functions are now directly linked. Planning, goal-directed behavior, cognitive flexibility, and a

broad, objective view of your own actions become embedded in your habitual routines. They are what neuroscientists call salient: Your attention is continually drawn to them. You no longer need to remind yourself to be mindful, to mentalize, or to consult your inner Wise Advocate; these actions are now second nature.

Why does the Higher Ground matter now? Because those who follow you are building their own legacies, developing their own form of strategic leadership. They probably don't need sharp-edged direction from you at this stage of their careers. Rather, they need more profound counsel: help in seeing themselves as others might see them. And they need opportunities to learn and grow.

Together, these seven stages create a developmental path relevant for leaders trying to do anything of significance. If you are in touch with your High Ground (and Higher Ground), and aware of the satisfactions inherent in strategic leadership, then you can accomplish a great deal more. You can develop your own proficiency, help others do the same, and ultimately contribute to transforming your organization. +

### Resources

Art Kleiner, Jeffrey Schwartz, and Josie Thomson, *The Wise Advocate: The Inner Voice of Strategic Leadership* (Columbia University Press, 2019): Original source for the High and Low Ground concept, and for steps people can take to cultivate strategic leadership.

Adele Diamond, "Executive Functions," *Annual Review of Psychology*, Sept. 27, 2012: Overview of the research on working memory, inhibitory control, and mental flexibility.

Josie Thomson, "How being a cancer survivor has shaped my leadership coaching," *SB*, Nov. 14, 2019: For people who aspire to being great leaders with lasting and positive impact.

Jamil Zaki, *The War for Kindness: Building Empathy in a Fractured World* (Crown, 2019): How and why to strengthen skills related to mentalizing and understanding other people.

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