



MIND & LIFE

Mind & Life Podcast Transcript Otto Scharmer – Changing Systems

Original Air Date: March 13, 2025

Retrieved from: <https://podcast.mindandlife.org/otto-scharmer/>

Opening Quote – Otto Scharmer (00:00:54): *There is no shortage in good intention on this planet right now. What's not there is moving from that individual intentionality to shared intentionality, and from shared intentionality to individual and collective action. So we potentially are the biggest movement this planet has ever seen, but it's a planetary movement that is not aware of itself. And a movement that is not aware of itself is not a historical force, and that's exactly what we need right now because the challenges we face are just unprecedented.*

Intro – Wendy Hasenkamp (00:01:36): Welcome to Mind & Life. I'm Wendy Hasenkamp. My guest today is action researcher, facilitator, and thought leader, Otto Scharmer. Otto is a world leader in the area of systems change, and he's helping us understand how awareness and the quality of our relationships are critical for the change we need today. I spoke with Otto last October and I loved hearing his perspective on the divides that underlie the many crises we're facing today and how he's seeing our potential for transformation.

(00:02:14) There's a lot in here, so I'll just share a few highlights for me. One was the links between his family history in regenerative farming and what he calls the social soil, kind of the fabric of our relationships, and how we can cultivate that. He also speaks about his connection with Francisco Varela and how fundamental Varela's ideas have been to his own work. Towards the end of the episode, we get into a discussion of what Otto calls the 'fourth-person' perspective, which goes beyond our traditional views of first, second, and third-person perspectives into a kind of collective awareness. There's so many important insights here about leadership, the need to let go of old ways of being, and about waking up to the truth of our interconnection.

(00:03:05) Throughout this conversation, Otto refers to a set of ideas he's put forward called Theory U. Since we didn't have time to walk through the theory here in full detail, I wanted to point you to some resources in the show notes where you can learn more about it. There's a wonderful series of free videos there—I highly recommend checking them out if you're interested in this work, along with many other free resources available through a project called the U School for Transformation. Otto also has a new book coming out, which we talk about a little bit in the show. It's called *Presencing: 7 Practices for Transforming Self, Society, and Business*.

(00:03:42) I've been a fan of Otto's work for many years. He's really at the forefront of connecting the importance of mindfulness and awareness with creating meaningful change in the world. I so appreciate his work. I hope you really enjoy this one. It's a great pleasure to share with you Otto Scharmer.

Wendy Hasenkamp (00:04:04): I am so very pleased to be joined today by Otto Scharmer. Otto, welcome to the show and thanks so much for being here.

Otto Scharmer (00:04:11): Thank you so much for having me on, Wendy.

Wendy Hasenkamp (00:04:14): I often like to start with just a brief bit of background from the guest, just to kind of orient to how they got into their work. So would you mind just sharing a little bit of what interests motivated you to get into the space of systems change work?

Otto Scharmer (00:04:30): Sure, I would be happy to. So I would say there's probably two or three main influences. The first one, of course, as probably for most of us, the place where you were born. Right? In my case, that was some place in Northern Germany, actually a place that some 800 years ago was cultivated by a monastery back then into agricultural lands, and then some 350 years ago, my family, my ancestors took over and cultivated. And my parents, some 60 years ago, they actually decided to move from conventional agriculture—which as we all know is basically one of our main, principal reasons for destroying the planet—to regenerative agriculture. So that was some 65 years ago, and that was the context. In fact, it was biodynamic agriculture. So it was really with some kind of spiritual awareness. Basically the idea was, agriculture as if nature matters, as if humans or social context matters, the people and the surrounding the human community, and as if spirit matters, the less visible part of reality.

(00:05:51) That was obviously one strong influence on me, and you can see the footprints of that influence directly in my work. And actually in April 2025, a new book will be launched that I co-authored and just completed. The title is *Presencing: 7 Practices for Transforming Self, Society, and Business*, and it's essentially about the evolution of systems thinking from the traditional mode of doing that in terms of the iceberg metaphor. So 10% of the reality is visible above the water line, and then the other 90% is really also what we need. The iceberg metaphor has been around for 70+ years in systems thinking, and for almost a century now in complexity theory, and it has been really very useful. But I also wondered, okay, a hundred years on, perhaps it is about time to come up with a new metaphor. Perhaps a metaphor that is better in sync with the polycrisis of our time, that really calls on us to also evolve what we call systems thinking to a new level. So that's really essentially what later my work revolved around.

(00:07:18) And what's proposed in this book is to move from the grounding metaphor of the iceberg to the grounding metaphor of the social field—essentially the social soil. So what is a social field? It has a visible power, what's growing above the ground. And the invisible power, which is the most important one, and that's what I learned from my parents essentially. Because as a regenerative farmer, where's all your attention? All your attention is on improving the quality of the soil, right? And when I look at what I am doing in my life and what probably many of us kind of now attending to this conversation are doing, we are actually the social farmers, the farmers of the social field. The gardeners, you could also say, of the social field.

(00:08:06) And what is the social soil that we need to cultivate? What's the invisible part, that if cultivated really allows us to move into flourishing? And that's essentially the quality of our relationships and the quality of our attention, or our consciousness. And that's basically the core idea of that book. And the seven practices are really about the core practices that we use to cultivate the social fields.

(00:08:40) And the first one (now that we talk about that) goes back to the core founder, together with His Holiness of the Mind & Life Institute. And that is Francisco Varela, right?

Wendy Hasenkamp (00:08:49): Oh yeah. Wow.

Otto Scharmer (00:08:53): I had the blessing to meet him twice in Paris. I remember the first time I met him, that was in 1996, and he said, "There is a blind spot in Western science, and the blind spot is that... The problem is not that we don't know enough about the brain, the problem is that we don't know about experience. Everyone believes that we know about how we access experience, and I claim we don't." So that was his proposition, and to my own surprise... So I transcribed the tape, I shared that with my colleagues at MIT and beyond, and I was surprised how strongly that resonated—particularly with social change makers as well.

(00:09:46) And then when I came back to him in 2000, just a year or so before he passed away (way too early, as we all know), I asked him, "So what you told me last time had a strong impact on many people. They really resonated with that. So have you done more work on that?" And he responded, "Well, that's the main thing I have been working on since." And he showed me what was published then in the book subsequently—kind of the core process of becoming aware. And the three main activities there, or gestures of awareness, I think how he called it—suspension, redirection, letting go—as his way of synthesizing the various traditions, the three traditions that actually deal with how we access experience, which is meditation, phenomenology, and psychological introspection.

(00:10:40) So that's essentially what the Theory U process... which is essentially an awareness-based process of systems change. It says you can't change the system unless you transform consciousness. And then the U process is essentially the process that is required to move you from one level of awareness, or you could say one level of consciousness to another one. And the three gestures that Francisco Varela pointed out resonated so much with me, because when he pointed them out to me from the viewpoint of studying that with individuals, for example, who go through a meditative process, I immediately recognized I had seen these shifts—but not with meditators, but with teams.

(00:11:31) If you take a team through a process, through any kind of team development process, that's exactly... you move from suspension, judging each other, to starting to listen to each other, the redirection is tuning into each other's perspectives and so on. It happens in the intersubjective realm, and then at the end of the day, it's all about letting go and letting come. We only get into the flow together if we are able to let go of some of our old rigid attachments to whatever it is, identity or some other. And of course when I facilitate these processes, I'm essentially being paid for helping people to do that, right? That's not an esoteric practice. It's kind of what we are being paid for as leaders, as change makers, as facilitators.

(00:12:25) And so I immediately recognized that, and realized that what Varela talked about in reality, it's a matrix. That it's not only applicable on the level of individual as he described it, but that you can also describe it on the level of groups. And when you're thinking about the evolution of organizations and larger systems, you find the same patterns. And the book *Theory U* is nothing different than spelling out the entire matrix. But it was in the conversation with Francisco Varela when he described these shifts or turnings you could say, of awareness, the turns of our consciousness, of our ways of paying attention to something, that was really the birthplace. And so in that regard, that led straight to the *Theory U* book, to the new book that's now coming out really, and becoming aware is kind of the first practice, the first of seven practices.

(00:13:29) But back to your original question, right? Yeah. For me it starts all on the farm, because it's like cultivating the soil. That's what I saw my parents, that's what we were doing on the farm, and that's what very much is a paradigm-shaping practice that is not only applicable to regenerative agriculture, but also really to the social field.

(00:13:53) The second context is movements. I was active in the green movement and the peace movement in the 70s and 80s, and that's really where I experienced that when you are part of any kind of social movement—and as we know, there are many social movements over the past decades in many parts of the world where we have been standing up and trying to improve the situations for many other people, including ourselves—but when you are part of a movement, there's something... It's not just your individual agenda that's driving you, but you are part of a larger whole, and there's something working through you. At the root, and at the deeper source of any kind of social movement, is a shared perception or experience or feeling. It's a sensing, right? It's a shared sensing of a possibility that you know is possible but is not manifest yet. A reality that's different than what we see out there. That's really animating any kind of movement. And experiencing that, very strong as a young person with millions of others across the planet—there was nothing special, I should say, even though it was a special experience, but it was not unique to just very few select individuals—It was a broadly shared phenomenon in our generation, and that's what today I would call 'presencing.'

(00:15:31) What is presencing? It's stepping into the future. It's kind of meeting the future in the current moment. Connecting to the now, connecting to the current moment in a way that allows the future to become present. That's what presencing is. So meeting the highest future possibilities in the now, in the present moment. And that's what I felt, right? That's I think what animates any kind of social movement, and that was certainly a second major source of inspiration for me. Let me stop here.

Wendy Hasenkamp (00:16:07): Oh, that was wonderful. Thank you so much. I love the weaving of all of those factors together—the farming and Varela and social movements. It makes a lot of sense given where your work has gone. I wonder whether it would be good to start with kind of a big picture framing. I think you do such a beautiful job of describing the state that we find ourselves in today, and the conditions that contribute to where we are. And then moving from there into awareness-based systems change.

Otto Scharmer (00:16:40): Sure. So I think when you say conditions, what I assume you're referring to is the ecological divide, the social divide, and the spiritual divide, right?

Wendy Hasenkamp (00:16:51): Yeah, exactly.

Otto Scharmer (00:16:52): So I would say, basically there's actually a straight line from where I ended, the social movements. I realized, okay, so we are protesting against all these things. Good and fine, and we all do our fair share of that. But what are really the root issues? And I realized, well, a lot of the root issues have to do with the economy, right? So that's probably, I don't know, it's not all of it, but perhaps half of it or something. So that's where I put my studies. So I took economics and management, did my PhD in that. I wrote, funny enough, I wrote a PhD thesis about the reflexive modernization of capitalism as a revolution from within, as some kind of renewal from within.

(00:17:39) Now, of course, no one ever read it, *[laughter]* let alone understood it. But what I realized, kind of my family was making fun of me, as you can imagine in a farm—basically an unreadable book, another one, right? And I realized, what the heck am I doing as a social scientist? I could talk about everything, but was I of any use? Was I of any use to anything? And I realized I could just talk about the

new economy, but was I really helpful to the change makers in the field who actually try to embody this stuff? And the answer probably was somewhat sobering. So that's what brought me to MIT, right? Because at MIT there is the tradition of action learning and action research and of systems thinking, and it was that combination that really drew me there.

Wendy Hasenkamp (00:18:37): Can you describe just briefly action learning and action research, just in case our audience isn't familiar?

Otto Scharmer (00:18:43): Yes. Action learning and action research. So one of the key founders is Kurt Lewin. He immigrated from Berlin in Germany in 1933, the moment Hitler took power. So he went to the US and together with other colleagues, he became a founder of what today is known as action learning, as action research. And my mentor at MIT, Ed Schein, who also immigrated from Central Europe because of Nazi Germany, he worked in that tradition. So I grew up kind of through Ed Schein very much in that tradition. That's actually what brought me here. And the first principle that Kurt Lewin put out is "you cannot understand a system unless you change it." So in other words, if you are just a social scientist that is watching stuff from outside, describing stuff from outside, then you are not understanding anything. You need to go out into the field. You need to really participate in the making of change in order to get access to the knowledge that's relevant to that situation.

(00:19:46) So that's really the tradition that drew me here. And when you look at systems from the lens of systems thinking, at current reality, what do we see? We see basically this. We collectively create results that nobody wants. And what are these results? It's those three things. The ecological divide. We are destroying the planet. We all know that. Climate change, biodiversity loss, pollution with plastics and so on and so forth.

(00:20:24) The social divide—inequality, war, and essentially a phenomenon of societies beginning to fall apart. I mean, you're in the US here. I am. I mean, if we look around, that's what's happening around us. You go into other countries, you see some of the same phenomena. Go to some countries in South America. You see it in other regions of the world as well. Not always as advanced, but this is the polarization, right? It's the beginning of that. And so that's a pattern we are well familiar with.

(00:20:59) And then what is the spiritual divide? Well, it's kind of the disconnect between self and self, between my current self and my highest future potential, my highest future possibility, and that is essentially manifesting in the pandemic of mental health. You talk with educators anywhere in the world and everyone says the same thing, and you ask them why, and they also say the same thing. They point at social media, but then of course also at the state of the world we are living in and so forth. So that's what we see. Those are the three divides.

(00:21:38) And I would say this is one of two narratives today, and we know all about this narrative. It's essentially a narrative about ego, extraction, and destruction. The story of destruction of course leads to self-destruction eventually. That's the journey we all know, and the journey that's amplified every single day.

(00:22:02) But then there's another narrative, there's another story, which perhaps, in my view, is the most significant and least well-told story of our time, and that is the story of regeneration and rebirth and renewal. It's a story of a shift of mindset from ego to eco. It's a story of really waking up to another level of awareness and to another level of being present and connected with each other.

[\(00:22:40\)](#) We live in the midst of both of these realities. I don't know whether you saw a few months back, there was the most recent publication of the UN, the United Nations Human Development Report. It's basically a stock-taking of where we are globally in terms of development, and there were two numbers that really stuck in my mind that basically tell you everything you need to know about the current moment. The first number is 69, and the second number is 68.

[\(00:23:17\)](#) 69% of what? So it's 69% of people on the planet right now are willing to sacrifice part of their personal income to address climate change. Think about that. 69%—that's more than two out of three—are willing to take a part of their personal income and to dedicate that towards collectively addressing climate change. I think it's just a stunning number, right, of goodwill that's in the world.

[\(00:23:52\)](#) But what is the 68? The 68 is almost the same number, right? And 68% of people on this planet right now also report essentially about a total loss of agency. They feel that they have zero, no influence, that their voice doesn't matter at all in terms of the collective decision-making in their communities and in their countries. So they feel completely disconnected from any kind of institutional decision-making. That's on the collective level. But even on a personal level, when it comes to shaping the conditions of your own life, one out of two people say they feel a complete loss of agency, which means really a complete loss of control.

[\(00:24:44\)](#) So those two numbers tell you everything. So there's no shortage in good intention, in positive individual intentionality on this planet right now. You don't need to preach about that. It's already here, right? It's already here. What's not there is moving from that individual intentionality to shared intentionality, and from shared intentionality to agency, to individual and collective action. And what's actually interesting is that the 69% who have this positive intention, many of them think they're in the minority in their own country. So what's happening at this point is that we potentially are the biggest movement this planet has ever seen. But it's a movement, it's a planetary movement, that even though you can see it in so many corners of the world, that is not aware of itself. And if we know one thing, it's this—a movement that is not aware of itself is not a historical force that makes things happen. And that's exactly what we need right now. We need a historical force because the challenges we face are just unprecedented.

[\(00:26:06\)](#) That's how I look at the current moment. The positive intention is there. There is kind of one narrative, which is a narrative of destruction, and then there's this other narrative, which is the awakening of a new awareness, which is amazing. The number of 69 is really expressing how widespread this new awareness is. Most people on this planet know we are moving in the wrong direction. They want to be part of a different story of the future, but they don't know how. And that's really where the rubber hits the road. They don't know how, and that's where our role I think comes in.

[\(00:26:48\)](#) – *musical interlude* –

Wendy Hasenkamp [\(00:27:15\)](#): That's beautifully laid out. One question came up while you were talking about that. I think that it can be a little confusing, certainly for folks who don't think a lot about systems change, or aren't in that space. We feel, you so well described I think this feeling that so many people have, that they're willing to sacrifice and to do work, and there's this kind of burgeoning energy, but it's disconnected somehow or as you said, not aware of itself, which I think is really interesting way to think about it. But then it feels also like there's all of us exist as individuals, but the forces that many people feel are hindering us, or causing the larger problems, exist at this higher level. It's hard to conceptualize the oil industry, for example, as relating to individuals. So can you talk a little bit about that link between or how things move from individual will or interests up to these higher systems levels, that at least

sometimes from my perspective seem to have their own agency outside of the individuals that make them up? I don't know if that makes sense.

Otto Scharmer (00:28:28): It makes a hundred percent sense, and it's exactly a precise description of what's happening. And I think the industry that you were pointing at, the fossil fuel or oil industry, is a perfect example because we know a little bit. I don't know how many of your listeners come from here, from the US space. Some of you may remember in the early 2000s, there was a majority in the US of the population that supported actually a carbon tax, right? Because climate change is an issue, kind of lets come up with some mechanism that allows us to steer in a more helpful direction. And so that was a majority view. That got the attention of the fossil fuel industry and they were able to mount a campaign. They got more than \$500 million for that, so it was well funded. And well coordinated, right? So you also need to give credit there. Well coordinated. And they essentially staged a campaign, and so I don't remember all the details when I read that study, but essentially one of the central tenets was... because you cannot refuse flat out climate science, because science is science. But what they did is to sow doubt, right? Amplifying the voice of doubt was the strategy, right? And then discredit of course are the climate scientists, that was the other piece of that, but that kind of goes with the doubt. So it's basically, "Okay, so that's what this study says, but on there just also other studies that claim something very different?" And you don't realize that 99% of people say one thing and it's like 0.5% —funded by fossil fuel—suggest something different and so on. So it's through these strategies, well orchestrated, and well thought through, that the majority view in the United States flipped. And that basically led us to the place we are now.

(00:30:39) So yes, there are these forces. And I would say, because we all are kind of connected around mindfulness and so many other good things that happened, but what is the biggest blind spot in the mindfulness movement? Because that's something worth talking about as well, right? And I would say it's this. That the theory of change... many of our movement would subscribe to the following statement. The theory of change is, well, if only enough people engage in individual mindfulness practices, that will shift the state of the system. That will shift things to the better.

(00:31:28) And what I would say as a systems thinker is yes, that certainly having a critical mass of individual cultivators, I would say that's necessary but not a sufficient condition. Something else needs to kick in, and that is really acknowledging that a system is more than just the sum of the parts. The system has most importantly its own interiority. As cultivators, we cultivate what? Our interiority, right? And each system really has also a collective interiority, and that is really where I would say as a movement we have our biggest blind spot, and where with Theory U, we try to make a few contributions at least towards methods and tools that allow us to cultivate the social soil, if you allow that language, on the level of the collective. In other words, using the power of mindfulness and the power of awareness not only for cultivation on the individual level, but for the transformation of the collective.

(00:32:42) So that's a very important agenda item, I would say. Particularly because in any kind of historic tradition, it never goes easily from one year to another because you have entrenched special interests, right? And they do exactly what we saw in the example of discrediting the climate movement. And they are of course, because they're vested interests, they're better funded, they can more easily organize because it's only a few key players usually. If you have a large group, it's much harder to organize that, right? So if you have a few big players, you just get together in one room and you come up with a strategy, you agree on who does what, and done. So it's much more easy. It's well known in the world of organizing and in research around collective action that there is a structural disadvantage to the large groups.

[\(00:33:38\)](#) And if we look at this whole thing more from a governance point of view, it's very clear. The most powerful voices are overrepresented, all the less powerful voices, particularly the ones that are in large numbers and can less easily organize are less well [represented]. But who is completely absent? Two voices. The voice of the future, future generations, and the voice of non-human species. And that's really I think the task of our age, to really fill that gap. I am part of the World Future Council and we have been advocating for having an envoy for future generations—an institutional role that is advocating that voice also on the UN governance model. That is in the process of being adopted. That's a minor, minor step in that direction. But it's a long way to really, in a more comprehensive way, including that.

[\(00:34:49\)](#) But what I would say is, as always, it will be a back and forth. And the work of awareness, but also the work of improving the quality of our relationships, the capacity building around deepening our sense, our capacity to listen and dialogue with each other across boundaries, across different interests. Those are all important conditions, but also other conditions like sensing emerging future possibilities together.

[\(00:35:20\)](#) So what we learned in many multi-stakeholder processes is when you take people through a process of really looking at reality through each other's perspectives and lenses, with an open mind and an open heart, that actually creates instantly a lot of possibilities that you then can explore by doing. So often what's missing is, yes, we have these different interests, and yes, we have all these well-known conflicts that we are up against, but if you design institutions and processes that allow us to collaborate across these boundaries and across ideologies...

[\(00:36:10\)](#) I think the problems we have in this century cannot be solved by just believing the same ideology. That was last century, right? Socialism, capitalism, whatever you call it. I think in this century we need to learn how to organize across our ideologies. I need to learn how I agree, how I collaborate with people that I have a lot of disagreement with. We need each other in order to change the system in order to improve the social or cultural or environmental comments in our own community. And that's the kind of work where I think we need to learn to access our not knowing. We need to learn how to access our discomfort. It makes me feel uncomfortable with these people, but I need to do it anyway, right? I need to move out of my own comfort zone.

[\(00:37:03\)](#) And also to access our... in a Taoist way, you would say non-action, right? Wu wei, I think, is the Taoist term for that. So it's like non-action means... Because you could say, "Well, what's the problem with action? Aren't we all here to act?" And I would say the problem is this. More often than not, when people always talk about 'action,' what do they really mean? They mean reacting. If you move from challenge to response in an instant, it is always reactive, and reactive means more of the same. And if we know one thing, it's more of the same is not getting us there. So I think accessing non-action means accessing stillness, accessing contemplative stillness as a gateway for connecting with deeper sources of knowing, which then will allow us to act in different ways, to be present and to act in different ways moving forward.

[\(00:38:10\)](#) And those are capacities that we all have, individually and also collectively, but often that are not activated because we lack the right kind of environments. And that's where I would end on, really. What is there? Positive intention. What is not there? That this intention is embodied in action and agency. And what is missing in between? It's the holding spaces—the containers in 'facilitator speak,' you would say, right? The containers or the holding spaces that would allow us to move from individual to shared intentionality, and from shared intentionality to agency.

Wendy Hasenkamp (00:38:56): I love that. Can you talk a little bit more about those holding spaces? I think that's so important. And yeah, it relates to that non-doing space of having this container, it strikes me that there needs to be a lot of safety and trust existing in that space in order to be able to cross divides and sit with that discomfort, and all the things that you so clearly expressed that we need to be doing in this moment. A lot of the things you're describing just arise for me like, "Oh, how do we do that?" And I know that you've been working for a long time on different practices and approaches to cultivate these kinds of awareness and things. So if there's anything you want to share more about the container, or some approaches that we can use.

Otto Scharmer (00:39:43): Yeah. I would be happy to. So I would say, if I look at outside the kind of work I and my colleagues at the Presencing Institute are currently doing with often very traditional organizations, like UN organizations... We worked with 30 country teams, UN country teams over the past few years. We work with, sometimes it's startups and regenerative businesses, but also with very established organization that try to move into that direction, or with multi-stakeholder groups. Sometimes also with broad and diverse grassroots movements, like in Latin America, the ecosystem leadership program we are running there.

(00:40:27) In all these cases, I am actually very surprised how willing people are in general to lean into new ways of connecting with themselves and with each other, in the face and in the knowing that something is going on in the current moment in our world, not just locally but also in the larger scheme of things—at the end of the day, it's a planetary phenomenon—that is profoundly moving us in the wrong direction, and that needs redirection, intentional redirection I would say, now. So many people feel that.

(00:41:10) So what is the U process really, and what is leading by Theory U? It's something very simple. And it's really coming... I'm now referencing the third gesture of awareness that Varela mentioned to me, right? It is leading by letting go and letting come. Because at the end of the day, going through the bottom of the U, which means kind of the deepest point of a transformative change process, what is at that deepest point? It is a process of letting go and letting come. And then you can say, "Yes, but wait a minute, letting go? Letting go of what?"

(00:41:49) And the answer is, letting go of everything that is not essential. And that is opening up a new space for something else to emerge that has been there perhaps before but wasn't manifest. Just like a seed is turning into the sprout and piercing the surface, right? So it was there before but it didn't meet the eye. And that's really what this notion of presencing is pointing us towards that becoming more attuned to and connected with what in a way is already there but it's not fully present yet with us. So leading by letting go and letting come is what is requiring these spaces, these deeper holding spaces.

(00:42:44) And I am surprised by how many people are willing to move into that direction. That's kind of the first surprise. If you just introduce that. You don't make too much a fuss about that. You just kind of introduce that as part of the process. So sometimes in organizations we say it's part of how we want to improve our collaboration across boundaries and so on, of course. So how do you do that? You need to, like particularly in the UN, you need to reconnect with people's individual sense of purpose and also with [why] we are here together. So that's kind of one level of resonance where you can connect with many people—many more people than I would've thought just a few years ago.

(00:43:30) And the second surprise that I have seen repeatedly is, if you really apply these practices, you can see significant shifts in awareness and in capacity, so in skill, after just a few weeks. So I will give you as a case in point, I'm teaching a half-term class currently at MIT Sloan, so that's 60 individuals from

across campus at MIT, and also it's almost a third coming from Harvard University, many of them from education or the Kennedy School of Government. Basically the structure of the class is over the course of six weeks you have... so what is the holding space there, right? It's one evening a week, so three and a half hours. So it's a good chunk of time, and you can, if you are together for an entire evening in that week, starting in the afternoon, you will be able to find a different way of being together there. So certainly that's one holding space, but that's the group of 60.

[\(00:44:42\)](#) But at least as important as that classroom experience is the following experience. Each week, the group meets in groups of four, and is going through something anyone can find and download from our website—all the methods and tools we have developed at the Presencing Institute are open source. They are Creative Commons. So you go to our resource or tools section and you can see it there, or download it from there. It's basically a process called case clinic or coaching circle, and what it is is a 60 minute process. It goes through seven steps. It's very structured and it essentially takes you through the entire U process within 60 minutes. And it's starting with a problem statement, a current situation statement of a case giver. So one person is the case giver and is sharing kind of a challenge, something where you are on the edge, where something is your own learning edge and where you have something that's important, significant, urgent, could make a big difference moving forward, so you need to act on that now. So some urgent issue, and then the other ones are acting as coaches.

[\(00:46:01\)](#) And so you go through and basically the instructions (I'm not going through the seven steps), but the bottom line is, the case giver shares the real situation. The coaches apply what we call in Theory U generative listening. So that means listening with your mind and heart wide open. You move into a moment of intentional contemplative stillness. You connect with the deeper resonances. You mirror that back—images, feelings, gestures. And from there, from this kind of deep... You let the story really be reflected on the deeper layers of your soul, you mirror that back, and from there you move into a generative flow of conversation. That process, in just 60 minutes, almost always has some transformative components and it's taking people from the surface or shallow level of awareness and interpersonal interaction to transformative generative ways of being together. Something that we call, it has to do with 'ecosystem awareness' in terms of Theory U.

[\(00:47:16\)](#) So you do that once a week over six weeks, and you'll be astonished how much not only has changed inside these case clinics, but what people in their weekly reflection papers describe how their entire... Because the surprise is of course... Now listening it sounds like, well, that's really... that's a tough one, right? *[laughter]* It will take a lot of effort. Now if anyone would've told me like 10 years ago you can do that in six weeks, and it's like one evening a week and then one practice and a small daily practice, kind of just to self monitor your listening, I would not have expected... Because it's also, we are used to transformative change is painful. It takes a long time, kind of this extended process. But that's not at all our experience. Our experience is, because the entire planet is moving through the bottom of the U, which is the situation of letting go and letting come on a collective level that the readiness to really engage and connect with these deeper levels of change is much more available, much more distributed right now.

[\(00:48:33\)](#) So what we notice is if you hold these spaces, these holding spaces, a lot more is happening a lot faster than it used to be 5, 10, 15 years ago. And that's what we are seeing, and that's I think very encouraging also. Even though I should say holding these spaces is actually not more easy now, but it's more difficult. And one thing is you almost cannot fund that. Because you can fund projects easily, right, but try to fund these upstream capacity building. Most funders even don't get what that is. So okay, isn't listening like listening? No, it's not. One type of listening is creating more of the same and the other type of listening is transformative. There's a huge difference, but we call both listening.

[\(00:49:23\)](#) So that's what we learned there, that it sounds like, okay, the way I pay attention, the way I listen is shifting. But the reality is, if how you attend and listen shifts, your experience of the world is shifting. When your experience of the world is shifting and your relationships are shifting, everything is shifting around you. So it's a huge thing. Listening and the way we pay attention is perhaps... it's the most underrated capacity of leadership and really of all change leadership that we know, and paying more attention to that is very significant, and can in a relatively short amount of time can have a huge impact.

[\(00:50:13\)](#) – *musical interlude* –

Wendy Hasenkamp [\(00:50:44\)](#): That's so fascinating what you were saying about how... (And I know we haven't really stepped through Theory U in detail and we'll provide all the links in the show notes. Hopefully listeners can go and learn about that.) But how you were saying that in this moment—correct me if I'm misunderstanding what you were talking about, but—the conditions that are almost forcing us into this space of letting go and letting come, just because of the intensity of this moment or the urgency or the scope of the problems. But that's so interesting that it's almost as if we're being funneled into this space where we have to be more receptive to something shifting. I'm fascinated by your experience that things are different and the change is happening more quickly now than even five years ago.

Otto Scharmer [\(00:51:34\)](#): Yeah. So I would say, I mean, if I said it exactly that way, I would like to take the occasion to correct myself.

Wendy Hasenkamp [\(00:51:42\)](#): Yeah, please edit.

Otto Scharmer [\(00:51:43\)](#): I generally agree, but I would put a small but very important modifier on what you said. It's not forcing us. And it's also, there's no automatic mechanism. What I'm saying is, given that the planetary system we are part of is moving through this profound moment of polycrisis and of bottom of the U, where we need to let go of some old patterns and need to tune into some new ones—essentially from an extractive mode to a regenerative mode, and from a mode that's driven by egosystem awareness to one that's operating on ecosystem awareness—because that's happening, when you hold the space, you can move forward and see transformative change a lot earlier, a lot faster. So that's what I observed.

[\(00:52:41\)](#) But there's no automatic mechanism. There's no one being forced. In fact, we see the opposite. And I think it's a good thing because, so that's kind of what it means to be a human being. It means you have choice, right? No one is forcing you. That would be brainwashing, in fact. So what we see is, there is a crisis and what's happening? Both of these phenomena. So I saw that in organizations, they go through a profound crisis. And then I see in that organization in some places, people in the face of that challenge, very significant challenge and disruption, people grow together, right? They rise to the occasion; they grow together even more closely as a team. In the same organization facing the same challenge, in other parts of the organization, people fall apart. So what accounts for the difference? In one word leadership. And what is the explanation of that? Holding space. Leaders that create a holding space to come together in these challenging situations where we face not knowing, where we need to access very uncomfortable areas, move to the edge and beyond the edge of our comfort zone, and where we don't know what we are going to do. So that deep sense of not knowing is of course enormously relevant today.

(00:54:12) Because, yes, in all our institutions, what's most overrated? Knowledge. What's most underrated? Not knowing. *[laughter]* What is the problem with knowledge? Well, we don't know about all the things that are really important. Most importantly, the future. No one knows what the future looks like. No one even knows—I mean, look at our geopolitical situation—what the future will look like tomorrow, let alone the end of this year. Yet in the face of not knowing, we need to act now. How? By accessing our not knowing. That's the key. And how do we access our not knowing? It's deepening our quality of listening, deepening our quality of sensing, deepening our quality of relating to each other and to ourselves. So that's really why these deepened capacities are absolutely critical for the future of leadership, for the future of being a change maker and also being a human being, right, in the face of AI.

(00:55:13) Because speaking of AI, what is the blind spot of AI? The blind spot is, in one word, the future. AI is so much more brilliant than we are in synthesizing the knowledge we came up with in the past. But the blind spot of AI is tapping into the future. And what do I mean with future? I mean the possibility... I understand the future as a possibility that is looking at me, because it depends on me to manifest. And that's exactly the experience I had as a 16-year-old, as a 20-year-old when I was on the streets in Europe. You know, the social movement experience that I described earlier. And that's exactly the experience that many innovators, that creative people have, right? So it's not like, the future is not something abstract out there. The future is personal. It's a possibility that looks at me, that is looking at us, because it depends on me or on us in order to come into reality, in order to manifest. And that's really the one thing that AI cannot do, and therefore that needs to be in the center of the curriculum of the future—not only in schools, not only in universities, but also in all of leadership development. And that's also what's beginning to happen and can make me hopeful.

(00:56:40) But there is no automatic mechanism. There is choice. And I think that's a good thing. And we see, when we look around, both of these phenomena—where we see people coming together in new ways, creating islands of coherence where something new is being born, while at the same time we see in other places that things are increasingly falling apart.

Wendy Hasenkamp (00:57:06): Some of the things that you're speaking about in the sensing of possibilities and kind of deeper levels of awareness are reminding me of a paper that you recently wrote about what you called 'fourth-person awareness,' which comes out of actually some of Francisco Varela's work. He did a lot, I think listeners will probably know some about the relationship between first-person and third-person awareness. But I'm wondering, I had never heard of or conceived of fourth-person awareness, so could you give just a little quick overview of the standard first-, second-, and third-, and then what you mean by the fourth-person?

Otto Scharmer (00:57:43): Yeah. I would be happy to. And you're right, right? Francisco talks about first-person knowing. And in fact, I remember when I interviewed him in his office, he pulled a journal for consciousness or something, a special issue of some journal that was on consciousness and first-person knowing, out of his bookshelf and said, "Look, this just came out. This would not have happened," he said, "a few years back." And so he was very proud of that, and it basically validated first-person approaches to knowledge. And that's kind of basically the conversation that we started with our interview, which is really about how we access experience, and psychological introspection, and phenomenology and so forth. And that all of that is grounded in... So I remember this funny term he had. He said, "You know what? We all need to become black belts of first-person experience. Black belts of perception." Which means kind of... because what's the problem with first-person experience? It's not good. People make up shit basically, right? So we are not precisely describing actual experience. We describe what we make of that, but we are not precise in our observations. And that's kind of where

when he says black belt, it means really being precise, sticking with our observations. That's kind of first-person.

[\(00:59:21\)](#) Second-person is intersubjective, right? So you and I, we talk, we can agree, we can disagree, we have a discourse. And so he also talked about that, Francisco.

[\(00:59:33\)](#) And then third-person is basically when you put up a camera, right? Kind of everything that's on the zoom thing. So it's our voice, our visual, everything you can see, particularly also what you can quantify, kind of numbers, what you can measure and weight and so on. So over the years, so that's kind of usually... first-person, second-person, third-person. You need all of that. So that's kind the mantra in action research, right? And I have heard that for many years, and I always scratched my head and I thought, "Really, is that really all?"

[\(01:00:09\)](#) Because in my experience, of course you have all three, but if you really go with a community—and I'm sure that many of the listeners in this podcast now will have the experience on their own—if you really double click on any episode of deep change that you have been part of, and it can be... So if I just talk about my own experience, the loss, the passing away of a person really, really close to you, a loved one. If you have the blessing to be present in those last days and those last hours, and in the moment when the crossing of the threshold is happening, if you really look at what happens in your awareness there, is that really just first-person, second-person, third-person? Or is there something else going on?

[\(01:01:11\)](#) If in all kinds of profound episodes of deep change, there is... for a long time often, and that's often when people feel stuck. In most episodes of change, we feel stuck, right? Stuck in what? Stuck in old patterns. And that's why years back, 20 years back when I wrote *Theory U*, I talked about the bottom of the U in terms of the eye of the needle. So you need to cross a deep threshold. It's hard to describe what it is, but it has to do with a profound letting go and letting come. And unless you cross that threshold, you will just see more of the same. But when you now talk about that in knowing... What kind of knowing? So when you cross that deeper threshold, I often felt that the moment that happens, something new enters the awareness, that wasn't there before.

[\(01:02:17\)](#) I interviewed, years back, a circle of women, six women. I learned a lot from them, in terms of holding space really. And they called themselves Circle of Seven. So six women who had their circle practice, and they called themselves Circle of Seven. Of course the obvious question in everyone's mind is, who is the seventh? That was of course the question. I went out to Ashton, Oregon, and one of our Presencing Institute co-founders was a member of that, Beth Jandernoa and Glennifer and many others. So I met with them for a day or two or something. I asked that question, and what they shared with me is, and what I also experienced and the conversation with them is this.

[\(01:03:07\)](#) The moment we really enter this deeper space, something else becomes present in our awareness. And they refer to that as the presence of the circle being. So there's kind of a beingness that we have together, right? And the way we can experience this is this: that something is looking at you that is not you. It's very much connected with you, but it's looking at you, and it is not you. So that's the presence of the circle being. That's how I experienced it, and that's how I experience that in many communities. So that's kind of the collective interiority.

[\(01:03:52\)](#) So that's what I noticed, right? If you go through changes and everyone is stuck in their individual awareness and sense-making, it will be just more of the same. Right? It's very easy. And going through this deeper threshold means that you need to open up a space where something becomes

present that is not you, and you can call that as the Circle of Seven, they refer to it as the presence of the circle being. That's one way. I also would say in the context of the future, where a community, say, is going through a period of profound change, what becomes present, I often also experience as the highest future possibility. It's a possibility of an emerging future that is possible, but that depends on us in order to manifest in to come into the current moment. So that's another way of describing that.

[\(01:04:55\)](#) But fourth-person knowing essentially is collective self-knowing. And anyone in systems thinking today knows, all right, systems are not just mechanical things, in the context of a society, systems are living systems. Living systems theory is very well known and it's taught all over the place. What I'm doing here is taking it to the next level. I'm saying, well, it's not just living systems. It is a living being. There is a beingness.

[\(01:05:27\)](#) And what's a different word for beingness? It's interiority. What's a different word for interiority? It is awareness. It's a beingness, it's an interiority that has its own feelings, perhaps, perhaps even its own intentionality. And when we form a community, we have a very intimate relationship to that. So that's kind of an area of investigation that I believe we are just entering into, where many of us have really a deeper level of experience that usually we don't really look at, and we don't really put the light of our attention on. But if we did, and if we do, it will allow us to navigate these difficult territories of the future that are coming our way with more intentionality and with more ease.

Wendy Hasenkamp [\(01:06:29\)](#): Wow. Well, this is really inspiring. I really appreciate you sharing all of these perspectives with us. I know we're coming up on our time, unfortunately, I feel like there's so much more we could unpack. But is there anything you wanted to say in closing, or ways that people can learn more about all of the wonderful work that you've been doing?

Otto Scharmer [\(01:06:48\)](#): Well, I would say there's certainly the Presencing Institute is a place that makes all the methods and tools that we have developed freely available to all. We are committed to democratizing access to this consciousness-based transformation literacy. And there is, once a year we actually do a U-lab, it's starting usually in fall, in September, and it's running for two months or so, but it's available usually year-round. But we have a live cohort with thousands and tens of thousands of people from around the world. We try to, on that site you will find ways to connect with each other, but also to maybe join other activities.

[\(01:07:36\)](#) And then really, a lot of what we touched on in our conversation, what is the most logical place to double-click on that? It would be the book that's coming out in April, *Presencing: 7 Practices for Transforming Self, Society, and Business*, and it's really about the cultivation of the social soil. That's what these seven practices are about, and that would be one possibility to further connecting this.

[\(01:08:04\)](#) But at the end of the day, so I think Mind & Life and the Presencing Institute, we are all siblings, right? We are all part of the same larger movements. And there are many manifestations of what's becoming more visible on this planet right now, in terms of both of the narratives, right? The narrative of destruction and more difficulty, but also the narrative of coherence and birthing a new... essentially I think a new civilization that is deeper rooted in our spiritual deeper sources, in a deeper level of awareness and consciousness. And that in many ways, Mind & Life, Francisco Varela and this whole line of work that came out of that, came out of that. And perhaps to end on that note—now it just comes to my mind—so it was I think exactly 21 years ago, I think it was in 2003, the first time His Holiness the Dalai Lama had this public engagement. There were many forms after, but the first time, I think it was at MIT with brain scientists from MIT and Harvard, and all the cultivators and meditators sharing about the research. And Arthur Zajonc was facilitating it.

Wendy Hasenkamp ([01:09:31](#)): Yeah. That was the first Mind & Life public dialogue.

Otto Scharmer ([01:09:33](#)): Exactly! It was an amazing event, right? It changed my own life. I was in the audience, really transfixed. And what I was so transfixed by was really the dialogue between scientists and contemplators. So it's essentially, you could say, the connecting of science with spirituality, or contemplative practice. And when I walked out of these two days, I knew for a moment—you know these moments, so you have a moment of clarity—and I had that, right? And that was, what is it I'm going to with the rest of my life? It was crystal clear. So it was crystal clear, before you lose the clarity again, right? But what was the clarity? It was a triangle between, yes, it is those two things that I heard the last two days, but there's a missing third. And the two things are, again, it's science, spirituality, and the third part of the triangle is social change, profound social change.

[\(01:10:35\)](#) And that's really what led directly to the Presencing Institute in the next couple of years. And that's what I have been focusing ever since on. So it was really kind of sitting in that session... So in that way, you could say the Presencing Institute is really an outgrowth of Mind & Life. Particularly that moment and that kind of disciplined dialogue, which of course has been cultivated over more than a decade, with Francisco sitting in His Holiness's living room and so on, every year with his colleagues. And so it was the first time it went public, and it is such an inspiring story, and we have seen so many positive impacts from that. And what we do with the Presencing Institute is really to work in that spirit and to move it more deeply into the third aspect of the triangle—the profound social change, where we see so much possibility and so much openness, and yet often the missing holding space for really fully activating that. And that's what I feel is a lot of the call of the time that I'm hearing right now.

Wendy Hasenkamp ([01:11:52](#)): Well, Otto, really deep thanks to you. Thank you so much for all of the work that you've been doing in carrying this forward. It's amazing to hear that story of the lineage from that experience at MIT in 2003. And yeah, just thank you for taking the time to share this with us today, and I look forward to staying connected.

Otto Scharmer ([01:12:11](#)): Thank you, Wendy. It was a pleasure, and I look forward to staying connected and exploring more possibilities.

Outro – Wendy Hasenkamp ([01:12:21](#)): *This episode was edited and produced by me and Phil Walker, and music on the show is from Blue Dot Sessions and Universal. Show notes and resources for this and other episodes can be found at podcast.mindandlife.org. If you enjoyed this episode, please rate and review us on Apple Podcasts, and share it with a friend, and if something in this conversation sparked insight for you, let us know. You can send an email or voice memo to podcast@mindandlife.org.*

[\(01:12:51\)](#) *Mind & Life is a production of the Mind & Life Institute. Visit us at mindandlife.org, where you can learn more about how we bridge science and contemplative wisdom to foster insight and inspire action towards flourishing. If you value these conversations, please consider supporting the show. You can make a donation at mindandlife.org, under Support. Any amount is so appreciated, and it really helps us create this show. Thank you for listening.*