

# In Over Your Head?

The Gap Between Leadership Capacity  
and  
Current Challenges

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Building Leaders for What's Next

Organizations today face unprecedented complexity. Volatility, uncertainty, complexity, and ambiguity (VUCA) characterize modern business environments where traditional management approaches fail. Adaptive challenges—problems without clear technical solutions requiring innovation and fundamental shifts in values and mindsets—demand leadership capabilities that most executives simply do not possess. A compelling body of empirical research and theoretical work over the past two decades demonstrates that Robert Kegan's Stage 5 (Self-Transforming Mind) and equivalent post-conventional developmental stages are not merely advantageous but essential for successfully navigating adaptive challenges in VUCA environments.

Only 1-8% of adults reach these advanced developmental stages, creating a critical leadership gap. Most leaders operate at Stage 3 (Socialized Mind) or Stage 4 (Self-Authoring Mind), which constrains their capacity to handle the complexity, paradox, and systemic interconnections that define adaptive challenges. The evidence shows that leaders at Stage 5 consistently outperform those at earlier stages across multiple domains, from organizational transformation to educational reform to military leadership. This isn't about skills or experience—it's about fundamental cognitive architecture. Organizations serious about thriving through adaptive change must prioritize identifying, developing, and promoting leaders who have reached or are approaching post-conventional developmental stages.

### ***Why Stage 5 Is Structurally Necessary for Adaptive Challenges***

The core argument: Adaptive challenges require cognitive capacities that only emerge at Stage 5 and equivalent post-conventional stages. This isn't a matter of degree but of kind—qualitative transformations in how leaders construct meaning that cannot be replicated through training, experience, or effort at earlier stages.

Kegan's Stage 5 (Self-Transforming Mind) represents a revolutionary transformation in consciousness. At this stage, leaders can step back from and examine their own ideologies, identities, and assumptions. They are no longer subject to a single fixed belief system; instead, they hold multiple systems in mind simultaneously, seeing contradictions and polarities as nuanced, interdependent phenomena rather than problems to resolve. This enables an inter-independent or integrative orientation where Stage 5 leaders appreciate multiple perspectives, recognize systemic interconnections, and continuously adapt their thinking in the face of paradox and change.

The structural necessity becomes clear when examining what adaptive challenges demand. Ronald Heifetz, who coined the term "adaptive challenges," distinguishes them from technical problems that have known solutions and can be addressed by expertise. Adaptive challenges are marked by: difficulty in identification and definition; requirement for changes in deeply held values and beliefs; demand that people with the problem do the work of solving it; generation of significant resistance; crossing of organizational and functional boundaries; need for experiments and learning rather than application of existing knowledge.

These characteristics map precisely to Stage 5 capacities. Adaptive challenges involve legitimate yet competing perspectives—Stage 5's ability to hold multiple frameworks as simultaneously valid is essential, not optional. They are characterized by fundamental ambiguity.

Stage 5's comfort with sustained uncertainty enables productive engagement while earlier stages demand premature closure. They require managing conflicts in deeply held values. Stage 5 can hold competing value systems in creative tension without needing immediate resolution or privileging one's own framework. They cross boundaries requiring systems thinking. Stage 5 operates with systemic, contextual reasoning that sees interconnections and emergence rather than isolated elements.

Consider VUCA environments specifically. Volatility produces rapid, unpredictable changes requiring leaders who can continuously transform their own frameworks rather than defend established positions. Uncertainty makes events and cause-effect relationships unclear, demanding comfort with not-knowing that Stage 4's need for clear self-authored answers resists. Complexity involves multiplicity of interconnected factors where changes cascade unpredictably requiring systemic cognition that sees patterns across levels. Ambiguity creates fundamental lack of clarity where information can be interpreted multiple ways, demanding the meta-cognitive capacity to examine interpretation itself rather than simply making stronger interpretations.

Bill Torbert's action-logic framework demonstrates how these capacities manifest in organizational behavior. The Strategist action-logic (equivalent to Stage 5) operates with simultaneous awareness across multiple levels—personal relationships, organizational relations, and national/international developments. Strategists maintain 2-5 year time horizons naturally, challenge accepted rules and processes productively, put decision-making practices themselves at center stage rather than just making better decisions, and create transformational change at both organizational and personal levels. The even rarer Alchemist action-logic demonstrates ability to renew organizations in historically significant ways, integrating material, spiritual, and societal understanding. Research shows only about 5% of leaders reach Strategist level, yet those who do are uniquely capable of catalyzing organizational change.

Susanne Cook-Greuter's Leadership Maturity Framework describes the highest adult meaning-making stage as one of integrating and transforming self and systems. These leaders are aware of the social constructions behind norms, comfortable with complexity and ambiguity, and oriented toward long-term, principle-driven change. Critically, what unites all these models is recognition that most adults do not naturally reach this developmental pinnacle. Studies consistently estimate only a small single-digit percentage of adults operate at Kegan's Stage 5 or its equivalent, while the majority of leaders remain at earlier stages where they see the world through a single self-determined framework (Stage 4) or through external societal expectations (Stage 3).

This gap between the complexity of adaptive challenges and typical adult cognitive development is precisely why Stage 5 is necessary. As Kegan warned, many adults are "in over our heads." They are faced with societal and organizational complexities that outstrip their mental complexity. Researchers Deborah Helsing and Annie Howell state it directly: "Adaptive challenges require development at the core of a leader's identity and how they make sense of the world," meaning leaders must grow vertically in mindset complexity to meet these challenges. Stage 5 represents that vertical growth in action, providing the "meta" capacity to examine one's own thinking, integrate others' perspectives, and fundamentally reframe problems.

## ***Empirical Evidence: Stage 5 Leaders Consistently Outperform***

Over the past two decades, a robust body of empirical research has tested whether leaders at later developmental stages actually perform better in handling complex leadership challenges. Studies across organizational, educational, and military contexts consistently find positive correlations between developmental stage and leadership effectiveness, with particularly strong effects for adaptive challenges.

### ***Organizational Leadership Research***

Harris and Kuhnert's 2008 pioneering study measured senior leaders' Leadership Development Level (LDL) using Kegan's Subject-Object Interview and compared it to 360-degree feedback ratings from bosses, peers, and subordinates. The findings were striking: LDL was a significant predictor of leadership effectiveness across all rater groups. Leaders operating from higher developmental stages were consistently rated more effective across competencies crucial for adaptive leadership—including Leading Change, Creating a Compelling Vision, managing performance, and cultivating talent. This study was among the first to empirically demonstrate that "individuals that lead from higher levels are more effective" in complex leadership practices, providing strong quantitative support for the Stage 5 hypothesis.

Strang and Kuhnert (2009) reinforced these findings in their Leadership Quarterly study of 67 managers, reporting that a leader's constructive-developmental stage was a significant predictor of their performance ratings on the job. Those assessed at later developmental orders tended to have superior performance appraisals. This aligns with broader patterns identified by McCauley et al. (2006), who found that while findings were mixed in earlier 1990s research, more recent data consistently showed leaders at higher orders of development scored better on effectiveness and performance measures.

Eigel and Kuhnert's research on executives found that those at an "interdependent" (Stage 5-like) order of development handle complexity better and are rated as higher-performing by their organizations. The Center for Creative Leadership concluded from reviewing this evidence base that "a leader's stage of development is a significant predictor of performance" and recommended incorporating vertical development models into leadership selection and training.

### ***Military Leadership Research***

Bartone et al.'s 2007 longitudinal study examined U.S. Military Academy cadets over four years, assessing their ego development stage via Subject-Object Interviews and tracking leadership performance as cadet officers. Their findings provided powerful support for Kegan's theory: cadets who achieved higher developmental stages exhibited significantly stronger leadership performance. Approximately half the cadets showed substantial vertical growth during their college years, and these individuals took on leadership roles with markedly greater adaptive capacity. Those who plateaued developmentally were more limited in their leadership effectiveness.

This is particularly significant because military environments are hierarchical and high-pressure contexts where one might expect traditional command-and-control leadership to

suffice. The fact that developmental stage predicted leadership success even in the military underscores that vertical development translates into better leadership across radically different organizational contexts.

### ***Educational Leadership and Social Justice***

Drago-Severson and Blum-DeStefano's 2019 qualitative study of 50 principals and superintendents examined leadership through a constructive-developmental lens. They found that school leaders' "ways of knowing" (developmental stage) deeply influenced how they understood and enacted leadership for social justice. Leaders at a Socialized Mind stage (Stage 3) focused on rule-following and avoiding conflict when tackling equity issues. In contrast, those with Self-Authoring or Self-Transforming minds (Stages 4-5) could challenge fundamental assumptions, engage in systemic thinking, and persist through intense resistance.

The authors argue that recognizing these developmental differences is key to expanding principals' capacity to lead adaptive changes in schools. Later-stage meaning-making corresponded with more effective, nuanced practice on complex, value-laden challenges. This matters profoundly because educational equity represents a quintessential adaptive challenge, requiring changes in beliefs about race and opportunity, engaging multiple stakeholders with competing interests, and generating predictable resistance.

### ***CEO Development and Organizational Transformation***

Rooke and Torbert's landmark research tracked 10 CEOs over four years, measuring their developmental stage and organizational transformation outcomes. The results were dramatic: All five CEOs at post-conventional stages (Strategist level) successfully led organizational transformation, while none of the five CEOs at conventional stages achieved transformation. The five successful organizations became industry leaders on key business metrics, while unsuccessful ones lost personnel, market standing, and money despite investing in consulting interventions.

This perfect 10-of-10 split suggests not mere correlation but functional necessity. Rooke and Torbert's larger 2005 study of 4,310 managers and leaders across 100+ companies found only 15% of leaders operate at post-conventional stages (Individualist, Strategist, or Alchemist action-logics)—4% at Strategist and just 1% at Alchemist. Yet these rare leaders demonstrated consistently superior capacity for catalyzing organizational change. As they write: "The rarest but most transformational kinds of leaders are Strategists and Alchemists."

### ***Pattern Across Studies***

The pattern across contexts is unmistakable. Whether in corporations, military academies, or schools, leaders at higher developmental stages consistently outperform those at earlier stages when facing adaptive challenges. This isn't about being "better people" or having superior technical skills. It's about possessing cognitive architecture that enables handling complexity, paradox, and systemic interdependence that adaptive challenges inherently involve.

## ***Why Earlier Stages Systematically Fail with Adaptive Challenges***

Understanding why Stage 5 is necessary requires examining why earlier stages prove inadequate. The limitations aren't about intelligence, motivation, or effort—they're structural constraints in how meaning is organized.

### ***Stage 3 (Socialized Mind): External Dependency***

Approximately 58% of adults operate primarily at Stage 3, where identity is derived externally from others' expectations, organizational norms, and authorities. Stage 3 leaders lack an independent "seat of judgment;" they cannot distinguish their own opinions from those of important others. When authorities or valued groups disagree, Stage 3 leaders experience internal "tearing," feeling pulled apart and unable to make constructive decisions because they lack self-generated principles to mediate conflicting perspectives.

This creates systematic barriers to adaptive leadership. The socialized mindset fundamentally hinders innovation and limits adaptation to dynamic environments because deviations from established norms feel threatening to stability. Stage 3 leaders excel at following established procedures but struggle when situations require deviation. Their decision-making is driven by desire for external validation rather than strategic necessity. When organizational values conflict with other commitments, they cannot resolve the dilemma independently.

Research notes that Stage 3 leaders can appear "inauthentic, inflexible or uncertain, especially when values or standards should be challenged." Ethical leadership is typical behavior for self-authored adults but usually out of reach for those with socialized minds, because they too greatly value the good opinion of senior or powerful figures to speak out. For adaptive challenges requiring questioning established norms and mobilizing people through resistance, Stage 3 leaders are structurally incapable of providing necessary leadership.

### ***Stage 4 (Self-Authored Mind): System-Bound Thinking***

Approximately 35% of adults reach Stage 4, representing major developmental advance. They create their own internal system of values and principles, make independent judgments, think abstractly, coordinate multiple perspectives, and self-evaluate based on internal standards. Research describes them as "comfortable with uncertainty and adapt quickly to change"—important traits for aspiring adaptive leaders.

However, Stage 4's critical limitation is being subject to their self-authored system. They're embedded so completely in their own ideology that they cannot see their framework is itself a construction. They can understand other perspectives but inevitably evaluate them through their own lens. While seeing nuance within their system, they struggle with genuine paradox that transcends it. When different parts of their internal system conflict, they experience severe internal distress, feeling "torn apart by disagreeing pieces of themselves."

Stage 4 leaders "may have trouble dealing with more complex situations, such as cross-cultural or cross-functional leadership" and show "attachment to own mission that can become inflexible." They have difficulty "genuinely questioning their own system of values and principles" and struggle to see limitations of their well-reasoned ideas. Research indicates Stage 4 leaders "may face challenges in collaborating with individuals who are still in earlier stages" and may

need to "adjust their leadership style"—but lack awareness that their own framework creates these challenges.

Critically, Stage 4 leaders cannot yet see that opposing perspectives actually "create and enable" one's own perspective. Instead, they view disagreement as something to "use" to strengthen their argument rather than transform understanding. They cannot recognize how their ideology limits their vision of alternatives. For adaptive challenges requiring fundamental reframing, holding genuine paradox, and continuously transforming one's approach, Stage 4 remains inadequate despite being superior to Stage 3.

### ***The Developmental Gap in VUCA Environments***

The problem is acute in VUCA environments. Research indicates "65-85% of leaders hold a conventional meaning-making system" (Stages 3-4), which fundamentally limits their ability to engage effectively because they seek order and certainty that VUCA environments cannot provide. Stage 5's comfort with not-knowing, ability to hold paradox without resolution, and capacity for continuous self-transformation become not just helpful but structurally necessary for sustained effectiveness.

A case study of Swedish biotech transformation illustrates this. A post-conventional leader successfully facilitated 50% productivity gains over five years through Stage 5 approaches by reframing problems, enabling co-creation, maintaining comfort with ambiguity. However, some employees at earlier developmental stages felt lack of support and needed more structure. The developmental mismatch created tension between innovation participants and production workers. This reveals an important point: Stage 5 leadership creates conditions optimal for complexity navigation, but organizational systems must account for developmental diversity in the workforce.

### ***Theoretical Frameworks Supporting Stage 5 Necessity***

Beyond empirical findings, influential theorists and leadership frameworks provide compelling rationale for why advanced adult development is crucial for adaptive leadership.

### ***Kegan and Lahey: Organizations "In Over Our Heads"***

Robert Kegan and Lisa Lahey have been powerful advocates for bringing constructive-developmental theory into organizations. In *Immunity to Change* (2009) and *An Everyone Culture* (2016), they argue that today's adaptive challenges, from globalization to AI disruption, require leaders who can continuously transform their own mental frameworks. Modern complexity places demands that exceed the developmental capacity of most leaders.

They introduced Deliberately Developmental Organizations (DDOs) as companies that cultivate employees' growth to higher stages precisely to meet the need for Stage 5 capacities in leadership. Examples include Bridgewater Associates (world's largest hedge fund attributing success to developmental culture), Next Jump (e-commerce company with no-firing policy recognized by Harvard as top learning organization), and Decurion Corporation (operating on "feast on your imperfections or starve on your ego"). These organizations achieve exceptional business results by systematically developing post-conventional capacities in their workforce.

Their work has inspired executive development programs worldwide to focus on vertical growth, with the premise that Stage 5 minds can better handle conflicting priorities, stakeholder plurality, and rapid change. This isn't conceptual speculation. DDOs demonstrate that organizations designed around developmental principles achieve measurable competitive advantage.

### ***Heifetz: Adaptive Leadership Theory***

Ronald Heifetz's adaptive leadership framework, while not explicitly a stage theory, aligns closely with the need for advanced meaning-making. Heifetz distinguishes technical problems (solvable with existing know-how) from adaptive problems (demanding learning, innovation, and shifts in values). Leading adaptive change involves challenging entrenched beliefs, orchestrating conflict, and motivating people to learn new ways, essentially psychological transformation for all involved.

This type of leadership calls for emotional intelligence and cognitive complexity characteristic of post-conventional development. Adaptive leaders must tolerate ambiguity, give work back to people, and hold steady through resistance, which are all capacities one gains as they move into later developmental stages. Heifetz's principles have been widely applied in healthcare, education, and organizational change. Medical leadership scholars have explicitly connected the frameworks: oversight of complex adaptive health systems in VUCA environments requires individuals who have begun developing self-transforming minds.

The adaptive leadership literature conceptually supports that a higher-order mindset (Stage 5) is needed to lead profound change. Heifetz's observation that adaptive challenges require leaders to "get on the balcony" (see patterns from systemic perspective) rather than stay "on the dance floor" (immersed in action) maps directly to Stage 5's capacity for meta-awareness and perspective-taking across multiple levels simultaneously.

### ***Cook-Greuter and Torbert: Action Logics and Transformation***

Cook-Greuter's Leadership Maturity Framework and Torbert's Action Logics provide language and data linking ego development to leadership styles. Their consulting and research over 25+ years, including assessments of thousands of managers, show most leaders operate in conventional meaning-making stages (Expert/Achiever action logics), while only a small minority reach post-conventional stages.

Crucially, those late-stage leaders excel at transformation. Strategists (roughly analogous to early Stage 5) can redefine problems, create shared visions across diverse stakeholders, and foster inquiry and innovation in their teams. Alchemists (highly realized Stage 5) can catalyze change at societal levels, transcending their organization's narrow interests. Validation studies by Harthill Consulting and Global Leadership Associates reinforced that later action-logics correlate with higher leadership effectiveness ratings and ability to implement organizational change.

The practical takeaway: helping leaders develop toward Strategist/Stage 5 yields disproportionate benefits for organizational adaptability and innovation. This isn't about marginal

improvement. It's about accessing qualitatively different capacities for transformational leadership.

### ***Vertical Development Movement***

Recent years have seen explicit calls for focusing on vertical growth to meet modern challenges. Nick Petrie at the Center for Creative Leadership and others note that traditional horizontal training (skills and competencies) is no longer sufficient; leaders must "grow bigger minds" to handle greater complexity. Jennifer Garvey Berger's *Changing on the Job* (2011) posits that in a complex world, the ability to transform one's mindset (move toward Stage 5) is THE critical leadership skill.

This has led to practical frameworks for vertical leadership development aimed at accelerating progress to self-transforming capacities. The underlying logic ties directly to Kegan's theory: as leaders advance through developmental stages, they gain wider lenses for sense-making, enabling them to lead through crises and adaptive challenges far more effectively.

Practitioner research confirms that vertically developed individuals are "likely to be more effective in key leadership roles within large complex organizations" not because they have better technical skills, but because they see complexities and interdependencies that others miss and can adjust their approach accordingly. This convergence of theory and practice underlines a major shift: promoting self-transforming, high-complexity mindsets is now seen as essential for organizations that must continually adapt.

### ***Stage 5 Capacities That Enable VUCA Navigation***

What specifically do Stage 5 leaders bring that earlier stages cannot? The capacities are emergent properties of developmental transformation, not skills that can be taught within an existing stage:

**Dialectical thinking:** The ability to hold thesis and antithesis simultaneously and synthesize into new understanding rather than choosing sides. Adaptive challenges often present genuine dilemmas where both horns are valid. Stage 5 enables productive engagement while earlier stages demand premature resolution.

**Systemic perspective-taking:** Seeing across levels and time horizons simultaneously. Stage 5 leaders naturally maintain awareness of personal relationships, organizational dynamics, and societal context while understanding how interventions at one level cascade through the system. Earlier stages struggle to coordinate even two levels consistently.

**Comfort with paradox:** Recognizing that apparent contradictions (flexibility-stability, exploration-exploitation, short-term-long-term) cannot be "solved" but must be managed through continuous rebalancing. Stage 4 treats paradox as problem to resolve; Stage 5 treats it as inherent feature of complexity.

**Meta-awareness:** The capacity to observe one's own meaning-making process in real-time. Stage 5 leaders notice when they're defending a position, recognize how emotions influence judgment, and can shift frameworks deliberately. Earlier stages lack this observational capacity. They ARE their framework rather than HAVING it.

Tolerance for sustained ambiguity: Maintaining productive action despite fundamental uncertainty. Stage 4's need for clarity and closure creates pressure for premature decisions. Stage 5's comfort with not-knowing enables exploration and learning that adaptive challenges require.

Transformation of identity: The ability to reinvent oneself continuously rather than defending a stable self-concept. Adaptive challenges often require leaders to fundamentally change because what worked before no longer applies. Stage 4's identity is the self-authored system, making transformation threatening. Stage 5's identity is the process of transformation itself.

Integration of shadow material: Recognition and incorporation of disowned aspects of self and organization. Stage 5 enables seeing how one's own strengths create blindspots, how organizational culture enables and constrains, how success patterns become failure patterns. This awareness prevents defensive routines that undermine adaptive work.

These aren't incremental improvements over Stage 4. They're qualitatively different capacities that emerge only through developmental transformation. Research confirms that leaders at post-conventional stages "have become collaborative, innovational, and transformational in their very being"—exactly what VUCA environments demand.

### ***Addressing Developmental Rarity: The Leadership Gap***

The most significant challenge to widespread Stage 5 leadership is developmental rarity. If only 1-8% of adults reach these stages, how can organizations access necessary leadership capacity?

#### ***The Current Reality***

Most leaders today have not yet reached post-conventional development, creating both challenge and opportunity. On one hand, it suggests many current leaders struggle with truly adaptive work, constrained by limitations of single-authority or socialized mindsets. This explains why 70% of organizational change initiatives fail. They're led by leaders lacking developmental capacity the challenges require.

On the other hand, this has spurred a movement in leadership development to accelerate vertical growth, so more leaders can acquire self-transforming capacity needed for 21st century complexity. Creating environments and experiences that push leaders beyond comfort zones and help them reconceptualize problems at higher levels of abstraction and empathy has become central to cutting-edge leadership development.

#### ***Development Takes Time But Is Achievable***

While Stage 5 remains relatively rare, research shows vertical development can be facilitated through deliberate practice. Bartone et al.'s military research found approximately half of cadets showed significant developmental growth during four years of college—demonstrating that supportive environments accelerate development. DDOs show that organizations designed around developmental principles create conditions for sustained vertical growth.

Key developmental practices include:

- Challenge and support—placing leaders in situations beyond current capacity while providing coaching and reflection;
- Perspective-taking—systematic exposure to radically different worldviews and cultures;
- Feedback intensity—creating systems for continuous honest feedback about impact and limitations;
- Reflective practice—building in time for meaning-making about experiences rather than just action;
- Developmental assessment—using Subject-Object Interviews or Leadership Development Profile to provide developmental feedback.

### ***Strategic Implications***

Organizations cannot wait for leaders to naturally develop. Strategic approaches include:

**Selection:** Actively assess developmental stage in leadership selection, particularly for roles involving transformation and complexity. The Subject-Object Interview and Global Leadership Profile provide valid assessment methods.

**Development:** Invest in vertical development programs targeting high-potential leaders. Research shows this yields disproportionate returns—moving leaders from Stage 3 to Stage 4, or Stage 4 toward Stage 5, dramatically expands capacity.

**Organizational design:** Create DDO-like elements even if full transformation isn't possible. Radical transparency, developmental feedback systems, and deliberate growth culture all support vertical development.

**Team composition:** Build teams with developmental diversity, ensuring some members at post-conventional stages can provide necessary perspective when facing adaptive challenges.

**External resources:** For organizations lacking Stage 5 leadership internally, engage consultants and coaches at post-conventional stages to guide adaptive work until internal capacity develops.

### ***Conclusion: Stage 5 as Competitive Necessity***

The evidence is compelling: developing more Stage 5-type leaders is one of the keys to successfully leading through adaptive challenges in organizations and communities today. Both theoretical rationale and empirical research converge on this message. Leaders at post-conventional developmental stages consistently outperform those at earlier stages when facing complexity, demonstrate superior ability to drive transformation, and enable organizations to navigate VUCA environments more effectively.

This isn't about marginal advantage. It's about fundamental capacity to engage with the types of challenges that define modern organizational life. Technical problems can be solved at earlier developmental stages. But adaptive challenges, requiring shifts in values, coordination across diverse stakeholders, tolerance for sustained ambiguity, and continuous learning, demand cognitive architecture that only post-conventional development provides.

The gap between challenge complexity and leadership developmental capacity explains much organizational dysfunction: failed change initiatives, inability to address systemic problems, conflicts that escalate rather than resolve, and strategic drift. Organizations serious about thriving through complexity must prioritize vertical development as strategic imperative.

The growing emphasis on vertical development in leadership programs represents direct response to this insight. As one study concludes, Stage 5 leaders "have become collaborative, innovational, and transformational" in their very being, exactly what is demanded to address our most daunting adaptive challenges. While reaching Stage 5 remains relatively rare, the difference-making asset it provides for adaptive leadership justifies sustained investment in developmental practices that support vertical growth.

In VUCA environments, Stage 5 is not luxury—it's necessity. Organizations that recognize this and act accordingly will possess competitive advantage that conventional leadership development cannot provide. Those that don't will continue struggling with adaptive challenges their leaders lack developmental capacity to address, regardless of technical competence, strategic frameworks, or investment in horizontal skill-building.

The future belongs to organizations that take vertical development seriously by systematically identifying, developing, and promoting leaders who have reached or are approaching post-conventional stages. This requires patience, as development takes years, but the payoff is access to leadership capacities that enable thriving in complexity rather than merely surviving it.

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