The Three Laws of Performance
Rewriting the Future of Your Organization and Your Life

Steve Zaffron & Dave Logan

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INTRODUCTION

In the work environment and at home, when things are not working, people struggle with which part of the problem to address first. However, the reason that fixing a problem often does not deliver the expected results, is because the underlying dynamics that perpetuated the problem are untouched. For every problem there is a future that has already been written about it. The Three Laws of Performance is not about change management. It is about rewriting the future, solving problems, and achieving breakthrough performance. When the Three Laws are applied to situations, performance transforms to a level far beyond what most people think is possible.

PART I: THE THREE LAWS IN ACTION

The First Law of Performance states that how people perform correlates to how situations occur to them. It answers the question, “Why do people do what they do?” Zaffron and Logan suggest that when a person takes action, it always makes complete sense to them. Each person assumes that the way things occur for them is how they are occurring for another. The authors use the term “occur” to describe how a person experiences a situation. This experience is based on one’s personal perspective and past history. It is important to note that situations occur differently for each person. Not realizing this can make another person’s actions seem out of place. How a situation occurs for a person includes their view of the past (why things are the way they are) and the future (where things are going).

The First Law rejects the commonsense view of actions – that is, that people do what they do in a situation because of a common understanding of the facts. Instead, actions relate to how the world occurs to a person, not to the way it actually is. When people
relate to each other as if each is dealing with the same set of facts, they have fallen into what the authors call the reality illusion. The First Law says that how a situation occurs to a person goes hand-in-hand with action. There are two elements: performance and how a situation occurs. These two elements are perfectly matched in every instance, with no exceptions.

The First Law also points out that when occurrence shifts, actions do as well. As counterintuitive as it may seem, most change efforts end up reinforcing how a situation occurs. The principle at work in this case is “whatever you resist, persists.” Some specific actions that can be taken to tap into the power of the First Law of Performance include:

- Noticing the connection between performance and how situations occur for people. See that this relationship always holds.
- Seeing the reality illusion at work. Almost without exception, people do not notice that they are only aware of how situations occur to them. They talk and act as if they see things as they really are.
- Finding people whose actions make no sense. Ask open-ended questions that provide insight into how those situations are occurring to them. Keep going until it is clear how their actions perfectly fit how the situation occurs to them.
- Observing that attempts to change a situation often backfire – strengthening, rather than altering how the situation occurs.
- Considering if something could be done about how situations occur to people. What impact would that change make in everyone’s performance?

The Second Law of Performance

Many people search for, but cannot find the key to performance. Zaffron and Logan suggest that most people are searching for the key to performance in the illumination provided by knowledge. However, having more information often does not translate into different actions. The result is that people search for the key to performance in places where it is easy to look, rather than in the dark, unfamiliar, and hidden places.

If an individual or a group can shift how a situ-
nation occurs, new action will follow. The key to performance, therefore, lies in the complex workings of occurrence. The Second Law of Performance states that how a situation occurs arises in language. Language is the means through which a person’s future is already written. It is also the means, however, through which it can be rewritten. The authors use the term “language” in the broadest sense. It includes not only spoken and written communication, but also body language, facial expressions, tone of voice, pictures and drawings, music, how people dress, and any other actions that have symbolic intent.

Untying the knots of language begins with seeing that whenever something is said, other communication is carried along with it. This phenomenon is called “the unsaid but communicated.” Sometimes the sender is aware of the unsaid, but often they are not. When it comes to elevating performance, the unsaid is the most important part of language. The unsaid but communicated includes assumptions, expectations, disappointments, resentments, regrets, interpretations, significance, and issues that occur as dangerous.

An aspect of communication that writes a person’s future without their realizing it is the “unsaid and communicated without awareness.” This determines and shapes which messages are possible, not possible, important, unimportant, relevant, not relevant, appropriate, not appropriate, and so on. The unawareness aspect puts this part of language outside of one’s control. Until a person can find leverage on this part of language, the future is written and cannot be altered.

No matter how smart or insightful people are, we are all prone to being hijacked by what is unsaid – especially the unsaid about which people are unaware.

The process starts with becoming aware of what people are not saying but are communicating. The unsaid and communicated but without awareness becomes linguistic clutter. Thinking about cluttered physical spaces offers insight into what happens in situations where people are bound by the knots of language. Such situations occur as tiring, chaotic, and unfinished. The key to performance is not pushing new conversations about strategy or reorganization into an already crammed space. Instead, it is about clearing out the clutter. Almost universally, it is the unsaid that is cluttered for individuals, groups, and organizations. Before anything new can happen, people need to do the linguistic equivalent of clearing out closets. This means moving issues into the light of discussion, saying them, and examining them in public. When people can address and articulate the unsaid, space begins to open up.

As a person moves through the unsaid, Zaffron and Logan indicate that there are forms and objects to look for. The first is the inner voice. This is the voice inside one’s head that is constantly talking about everything. Most of the time, the inner voice repeats old thoughts. Only rarely does it say anything new. Yet, it takes up much of a person’s awareness. The inner voice is unlikely to produce any novel solutions to a performance challenge.

Another form that most people are not trained to spot is what the authors call a racket. Becoming aware of rackets and taking responsibility for them is one of the most important aspects in elevating performance.

About the Authors

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A racket has four elements:
1. A complaint that has persisted for some time
2. A pattern of behavior that goes along with the complaint
3. A payoff for having the complaint continue
4. The cost of the behavior

Until people can articulate the default future – the future that’s driving their lives – they can’t make a choice to go in a different direction.

People are generally aware of the first two elements because the complaint and pattern of behavior are closely related. The complaint elicits the pattern of behavior, again and again. For some people, the pattern of behavior is so entrenched that others think that is who they are. For every payoff there is a cost. The payoff and the cost live in the unsaid and unaware. People have more power over situations when they can label something a racket and can identify that what holds them back is related to how a situation occurs to them.

When an individual sees the power of the unsaid, two compelling insights become clear. The first is that the situation is absurd. The second insight is that the unsaid needs to be cleared out. This is done by saying what is unsaid and dealing with it. There is the possibility of accelerating and elevating performance levels by clearing out the unsaid.

The Third Law of Performance

The Third Law of Performance states that future-based language transforms how situations occur to people. The Third Law rests on a fundamental distinction: there are two different ways to use language. The first is descriptive – that is, using language to depict or represent things as they are or have been. Descriptive language has its limits. One cannot create something new merely by describing what was and is. Using descriptive language to talk about the future is limited to prediction based on past cycles and current realities. Future-based language, also called generative language, has the power to create new futures, to craft vision, and to eliminate the blinders that are preventing people from seeing possibilities. It does not describe how a situation occurs. Instead it transforms how it occurs by rewriting the future.

A universal principle is that people live into the future they see coming at them, not the actual future they will get to someday. Unless people have done something radical to alter their course, the future they are living into is their default future. By default future, the authors do not mean the inevitable future, but rather what is going to happen in a person’s experience, whether they give it much thought or not. The default future consists of a person’s expectations, fears, hopes, and predictions, all of which are ultimately based on one’s experience in the past. Again and again, the default future is a projection of what happened in the past told through descriptive language. Without generative language, people attempt to fight the future, paradoxically making it even more likely.

Future-based language projects a new future that replaces what people see coming. It does not modify the default future; it replaces it. The future shifts from the default to an invented future. Before anything can be created, there has to be a space of nothingness. The future that a person is living into must be emptied out. The process of emptying out the future or “blanking the canvas” has three steps:

1. Recognizing that what binds and constrains people is not the facts. Instead, it is language and more specifically, descriptive language.
2. Articulating the default future and asking, “Do we really want this as our future?”
3. Completing issues from the past. This is perhaps the most powerful step. To complete an issue means moving it from the default future to the past. When that occurs, the issue no longer drives one’s actions and it does not color how situations occur to a person.

Another form of future-based language is declaration. All generative language relies on speech acts – that is, an action taken through language. The most fundamental of speech acts is a declaration which brings a possible future into existence. A declared future is not a dream or hope, but a future to which a person
commits themselves. Investing in oneself and putting oneself at risk are essential to rewriting the future. This is done by committing, which is another type of speech act.

Generating a new future is a radical departure from how executives usually lead changes. When people talk about strategy, nothing fundamental has shifted. Further, the default future is the same and it overwhelms the executives’ best intentions and efforts. Zaffron and Logan suggest that there are three principles for generating new futures.

1. **Futures inspire action.** Creating a new future with a large group of people takes a radically different path. It starts with displacing nonproductive conversations with conversations that enable a vibrant future that people are eager to bring about. Leaders should ask what conversations are missing in the organization that, if created and implemented, would leave people with new pathways for action.

2. **Futures speak to everyone in the process.** What makes an effort successful is when people feel that the new future satisfies their concerns. When everyone finds themselves in this situation, people pull together for the realization of that future and for each other’s success.

3. **Futures exist in the moment of speaking.** Future-based language does not describe anything in the current reality. Instead, it creates a possible future to which the speaker is given their word in the moment of speaking.

The authors outline specific actions that leaders can take to construct a future that causes themselves and other to live into it. These include:

- Committing to the discipline of completing any issues that surface as incomplete
- Articulating the default future. What is the past saying will happen?
- Asking, “Do we really want this default future?”
- If not, beginning to speculate with others on what future would inspire action for everyone, address the concerns of everyone involved, and be real in the moment of speaking.
- As people indicate that they are not aligned with the future, asking what their counterproposal is.
- Continuing to work until people align. This occurs when they say “this future speaks for me” and they commit to it.

**Leadership can’t empower others to rewrite and realize new futures when the conversational environment isn’t whole and complete.**

**Part II: Rewriting the Future of Leadership**

Leadership that arises from the Three Laws of Performance has the power to rewrite the future of an organization. Each of the Three Laws of Performance has a leadership corollary. These corollaries guide what leaders do and shape who they are for others.

Leadership Corollary 1 states that **leaders have a say, and give others a say, in how situations occur.** Leaders who empower others to rewrite and realize futures can transform any situation, no matter how impossible it may seem. Although leaders cannot control or determine how situations occur for others, they do have a say. Leaders should ask themselves the following questions:

- How can I interact with others so that situations occur more empowering to them?
- What processes, dialogues, or meetings can I arrange so that people can feel like coauthors of a new future, not merely recipients of others’ decisions?

Leadership Corollary 2 states that **leaders master the conversational environment.** The elements that make the most difficult situations malleable live in the conversations that exist, or can exist, in an organization. In most organizations, the network of conversations is noisy, conflicted, and filled with chatter that projects a default future that people are living into. This environment makes new futures impossible. There are two elements that the conversational environment needs to include to achieve breakthrough performance. The first is an ongoing, company-wide
commitment to resolving any and all incompletions. The result is an organization-wide “blank space” into which a new future can be created. The second element involves implanting integrity. Integrity creates a condition of workability. Without it, effectiveness is diminished and displaced by broken promises and a lack of accountability.

Leadership Corollary 3 states that leaders listen for the future of their organization. Leaders create conversations composed of future-based language. These conversations invent futures for the organization that previously did not exist. However, leaders do not rewrite the future by themselves. They create the space and provide the “listening” for that future.

The first part of stepping up begins with standing for the possibility that your organization can go beyond its current views of success to a place that integrates the profit motive with the desire to be global citizens.

The Self-Led Organization

Zaffron and Logan’s approach, based upon the Three Laws, considers the entire human experience as arising in language. Most people use language in a way that is fragmented. Individuals seek to win approval and speak in a way that will bring acceptance in that moment. In another moment, with another group, those same people speak differently. This creates a lack of consistency. On the positive side, honoring one’s word is the route to creating whole and complete social and working relationships. This behavior provides an actionable pathway to earning the trust of others. The authors call a person who acts in this way Self-led. Self, with a capital “S”, represents a full integration of all the parts of a person. It is key to remember that Self arises in language and through conversations.

When an organization is Self-led, the Self arises from all the people participating in the organization’s network of conversations. For an organization to deal with inevitable business pressures, it must rewrite its future by altering its network of conversations. In the process, the organization’s Self emerges. This Self is the collective essence of all the people involved in its operations, including a future that inspires them and fulfills their concerns.

The big question is why more leaders do not step forward to make an organization Self-led? It does not take authority to set an organization on a new course. The authors believe that even middle managers can use future-based language to create a case for taking new kinds of action that senior executives find compelling.

For new futures to arise, the conversational environment needs to include integrity and future-based communication. For the organizational Self to emerge, people have to take responsibility for the whole of the organization and for the concerns of stakeholders. Everyone needs to take ownership for the company, its network of conversations, and the environment in which those conversations take place.

Once the Self of an organization is clear, the leaders must step forward and use future-based language to make declarations. Managers then come forward to build systems, processes, policies, and procedures to turn the declarations into reality. The Self is potent, but it is also easily driven away. Without continuity and dedication, the Self of an organization can dissipate, allowing policies and short-term interests to take over.

PART III: MASTERING THE GAME OF PERFORMANCE

On a personal level, it is possible to reinvent oneself and to become a leader in those areas of one’s life that matter. The authors recommend recalling pivotal moments in the past when the natural reaction was “something is wrong here” or “something is wrong with me.” Decisions are often made in those moments that affect the way that a person behaves in the present and will behave in the future. The decisions that a person makes to deal with what is “wrong” with them form the basis of one’s persona. Zaffron and Logan call these decisions “life sentences” because they limit and narrow how a person occurs to themselves and how life occurs to that person.

Although a life sentence helps a person to survive and gives them a pathway to success, it also leads
to limited and inauthentic leadership. Extraordinary leadership emerges when a person questions who they truly are, beyond the persona created through the life sentence. To invoke a transformation, a person needs to create a crisis of identity in which the only way out is transformation. To find this crisis, one must focus on the areas of their life in which they are inauthentic and pretending. Every life sentence carries a benefit. It provides a reliable way to deal with the risk of life. However, to experience transformation one must ask whether they are willing to give up the certainty that comes from the life sentence.

Mastering the Three Laws

Mastering the Three Laws of Performance is like learning a foreign language. Although immersion in a new language is not linear, there are key milestones that a person passes as they become fluent. In the same way, there are milestones on the way to mastering the Three Laws.

The first milestone is seeing the terministic screen in action. A person’s way of seeing a situation is filtered by a terministic screen. This screen is made up of language and it directs one’s attention to aspects of reality. People do not see the world and they do not see the terministic screen. Instead, they see what the screen allows them to see. As one terministic screen is replaced with another, the same situation looks completely different. A person sees things they could not see before and their actions correlate. When the screen is altered, the way the world occurs also shifts.

The second milestone on the path to mastering the Three Laws is to build a new terministic screen around new core distinctions. The process of learning something new involves fitting what is new with what was known before. When a person learns in this way, their terministic screen keeps growing, but always in a self-consistent manner. This method of learning works well, provided that the terministic screen offers a foundation that is compatible with what is being learned. If a person intends to learn something radically new, however, the normal learning process will get in the way. Until a person reaches that point, they often make adjustments to new ideas by making them fit within the original screen. The result is an alteration of new ideas to make them consistent with existing terms. Although this process makes learning easier, it dramatically lessens the potential impact of the new ideas. When one realizes that they want to enjoy the full impact of new ideas, it is time to build a new terministic screen.

The third milestone is seeing new opportunities for elevated performance everywhere, based on the Three Laws.

• First Law: When looking at situations from the perspective of the Three Laws, one will realize that how a situation occurs to other individuals is more critical than what they think about the situation.
• Second Law: A person may observe how people’s use of language expresses, sustains, and holds in place the way in which situations occur to them. One may also become aware that most people talk about the future in terms of the past. It will be clear that their actions correlate with their default futures.
• Third Law: One will see that only a few people talk generatively. Instead of merely describing, these people use language to create new futures.

Improving Performance Organization-Wide

Zaffron and Logan have identified seven specific commitments that will reliably break down performance barriers when made with integrity.

1. Get out of the stands. In the stands at a football game, people talk about the game, but, their conversations have no impact on the action of the game. In contrast, the conversations the players are having on the field are the essence of the game. A person leaves the stands when they stop assessing and judging, and instead puts something at risk and communicates in a way that
drives action as well as makes them accountable for winning the game.

2. Create a new game. A game starts when an influential person uses future-based language to declare that something is more important than something else. This is what is put at stake and what that person will be held accountable to.

3. Make the obstacles conditions of the game. If something occurs to a person as an obstacle, then that person will push back by playing on the obstacle’s terms. It is important to make the obstacles conditions of the game.

4. Share insights. Breakthrough performance is possible when a person engages others in the insight from the Three Laws by sharing information. When sharing occurs, other people take on performance challenges in a collaborative way and form a network.

5. Find the right coaching. Great coaching alters the situation of how the game occurs for the players, especially at critical moments. The coach says and does whatever is necessary to win the game. As a person creates a network that takes on breakthrough performance challenges, they will find themselves coaching.

6. Start filing the past in the past. When humans encounter stressful events, they survive, note what worked, and keep it on file for future reference. Over time, the filing cabinet of The Future becomes full. The irony is that a real future no longer exists. In order to create a future with a blank canvas events from the past must be kept in the past.

7. Play the game as if life depended on it. Begin coaching by starting with oneself. Overturn life sentences and create a powerful future to live into. People will resist because it is human nature to resist new ideas all the time. However, there are no circumstances in business or in life that cannot be handled with the Three Laws.

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**Features of the Book**

Reading Time: 8 to 9 hours, 220 pages

*The Three Laws of Performance* is relevant to a wide variety of people ranging from individual contributors, managers, and executives. The book provides a map to rewrite the future, transform situations, and dramatically improve personal or organizational performance.

Throughout the book, case studies are provided to reinforce core concepts. *The Three Laws of Performance* is designed to be read from cover to cover, as content builds from chapter to chapter. The book includes a comprehensive index for those who seek to review information on a specific topic.
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