



**SARAH CORNALLY**  
SYSTEM DYNAMICS AND WHAT  
IT BRINGS TO LEADERSHIP

**LEADERSHIP MOMENTS PODCAST TRANSCRIPT**



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**EPISODE 13**



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**MURRAY:** : Welcome to my podcast. I'm Murray Wright and this is Leadership Moments, real people stories about the people and the moments that have influenced and shaped their leadership.

Today we are talking with Sarah Cornally. Sarah runs her own consultancy working with leaders to help create positive, lasting change. She's consulted to and advised leaders in many of the top 100 companies and federal and state organizations in Australia.

Sarah, welcome.

**SARAH:** Hi.

**MURRAY:** Great to have you with us and as always we're asking the three Leadership Moments questions and these are really just a frame for personal stories of leadership and insights they give us. Before we get into the questions, it would be really good if you could tell us a bit about the work you do and the approach you take.

**SARAH:** So the work that I do is focused really on organizations who have made the link to how the impact of their leadership impacts their results. So very much my work is always about how does an organization achieve its' purpose, achieve its' business outcomes. Because effectively an organization really exists to serve society and so I'm really interested in what I can bring to that context that enables them to achieve the best that they have to offer. So it's really kind of a basic frame, if you like, of the work. Within that, that means then it could be as simple as people are wanting to enhance their performance capability through the way in which they lead. That might be happening in an executive team who recognizes they're not humming, not as finely tuned as they might be. It might also be an exec team that is recognizing they've got limitations in the way in which they work together. But the more exciting work is when we are actually looking at the whole system. It's how is the system responding to change and complexity and all of the intense pressures that arise in the business world today. And that requires a different way of leadings, but there's a change in the individual leader. So how do I lead differently? How do I lead in a more sophisticated way that meets the challenges of the world in which I live? But also, how do we collectively lead the enterprise? So that would be at all levels of leadership. Are we actually showing up collectively in the way that way that's going to deliver the best that the organization has to offer? So the range of services covers the whole lot. Does that give you a good enough frame?



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**MURRAY:** Yeah, I think so. I think the things interesting there... you talk about the system and just the whole system. It would be good to maybe to expand a bit on that because when we talk about leadership and working in organizations, it's actually... it comes up, but it's not a central thing. It's not necessarily the focus. You take a very different approach.

**SARAH:** Well one of the things that I discovered... well in fact in many ways it goes back to the origins of my first career as an occupational therapist. So I specialized in treating what were considered intractable, unresolved, kind of workers comp cases. And part of me was offended that we kind of said... we couldn't help them. Permanently unfit. And that offended me on two levels. One, what a waste of human beings and if you're on the receiving end of that decision it's a pretty soul-destroying situation. I know people exaggerate and take advantage, but generally. But even that is not a good way to go. It's incredibly expensive for organizations to use up people like that because insurance costs... and the big ramifications and it's really bad for the culture of the organization because if something's going on in the organization that's producing that, then wouldn't you want to address that. That was when I was really first the only way we could solve these really complex, tricky, recalcitrant issues, not people but issues. We had to think about the whole system and what were all the systemic impacts that were producing these results. Because often, at a micro level, people were trying really really hard to fix the situation. So there's a lot of good intention, but how come with all of that good intention, you didn't actually get a good result. The more I looked at... well what else is impacting, what else is impacting, what else is impacting. I went from a micro perspective to a highly complex system perspective and then it became, well where in the system do we need to intervene so it will come into alignment and we get our results? So I started working with this systems thinking idea over 30 years ago when I was an OT and Occ Rehab. Now for 30 years I've been consulting to organizations on evolving leaders, transforming the culture, creating cultures where people in the business will thrive. The more I worked on that in the kind of micro perspective, the more I realized the reason why we weren't getting sustainable long-term leverage out of the work... so we'd get a temporary result, but then it would revert to a pattern. That's when I realized that actually focusing on the systemic perspective is crucial and I believe mostly we're not looking at it through a systemic lens. We're not realizing that a decision over here, which doesn't seem to be directly related to something over here, but is actually having a wave-like effect through the system and having a material effect over here, and yet in a way that we approach the world presence encourage us to think and look at it systemically and look at how all of these dynamics could... I mean, once you start looking at it you can have the feeling that your brain is being fried because of the complexity



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**MURRAY:** I know that feeling of my brain being fried when I did my training with you. It certainly adds a new dimension to how you look at things.

**SARAH:** Yeah. So yeah, very much how do we consider... and by the way, not just the system within the organization. It can be it can be the system within the field. It can be the system within the markets. It can be the system within a global context like... you can actually go quite large in your system's perspective. I'm working with one particular company at the moment that has a partnership relationship with another business. So what goes on in the other business has a very big impact on what goes on in their business. So if I would try to solve problems in their business without understanding and taking into consideration and working with the forces at play in the other enterprise, you have this feeling like you can't fix things. You're continually trying to fix something that you can't.

**MURRAY:** I think that's... and as you're talking it just reminds me, so often we work with clients. They say, "Come in. We've got this problem." And in the old days, yes, you would say, "Yeah let's fix this problem." And of course you put this patch on it and it just falls off. It doesn't work and you do need to go deeper to get those changes and find out what's really going on.

**SARAH:** Yeah, and I think what's interesting too is you can kind of say, "Well I can't influence that other system." But here's the interesting thing about systems dynamics is if I understand the dynamic and I change the way I respond to the dynamic, I change the dynamic.

**MURRAY:** Yeah. That's right.

**SARAH:** So it's not always dependent on the other changing. And that's interesting to get your head around that.

**MURRAY:** It's a bit the... for things to change I must first change myself. It's as simple as that in many cases.

**SARAH:** Aspects of that, yeah.

**MURRAY:** Yeah.

**SARAH:** Absolutely. And everything's in relationships. Everything is in relationships. So if you change the relationship, you change things.



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**MURRAY:** Yeah. I think the piece that comes out of that for me is... we're so quick to point fingers and judge individuals and say they're not interested, they don't care about what they're doing. But actually it's really important to take a step back and understand what else is going on around them? That they are just the indicator for a problem.

**SARAH:** Absolutely. It's one of the things I love about systemic work is that we stop blaming the individual because sometimes it's the role that's the... it's the role that they're playing inside the system that's producing the dynamic and it's not their personality per se. It's something else.

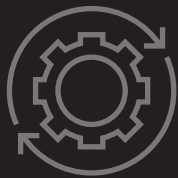
**MURRAY:** Yeah. Sarah, let's get on to these questions and ask you the first one. So obviously, as you say, you started in occupational therapy and you've developed as a leader in that space, but now in what you're doing and of course many aspects of your work. Who would you say has been the biggest influence in your career?

**SARAH:** That's such a difficult question. I can remember when I was first called into the consulting field. I was an OT doing interesting rehab. It was complex, meaty, chewy things and this managing director said to me, "I'd like you to come to work with me and my executive team." And I said, oh, I'll use an artificial name Robert, yeah Robert... "Why is that?" And he said, "Well, people come to work whole and we often send them home in a very different state and we're responsible for that." And I went, "Wow. This is amazing that a senior executive, head of the organization, is actually thinking like that." So I went, "Okay. So why me?" And he said, "Well, you know things about human beings that we need to know and understand as leaders." And that's really kind of been the key frame with which I've seen my work. I have a deep understanding of human beings and what makes them tick and how to influence them even in extremely difficult circumstances. So I have a passion and a resource that, "Wow if I could partner with leaders in organizations, what would be possible. What could we actually do?" And so that was probably why I'm doing what I'm doing now. So probably, that particular person had the biggest influence.

**MURRAY:** He set you on the path?

**SARAH:** Yeah, and look... but I would say every client situation that I've been in by and large there's been some pretty curly aspect to what they're asking. Sometimes it's their resistance to what you really need to do that might be that simple.

**MURRAY:** Yes.



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**SARAH:** It might be the curly aspect, you know, what they're willing to do versus what they need to do.

**MURRAY:** Yes. You're often called in, "Can you fix everyone else? I'm okay." Yeah.

**SARAH:** Yeah. Yeah. So, my capability today is fundamentally the sum of all the experiences that I've been invited into and worked with. If I could tell you another story of influence, which for me... when you sent me the question, I just... this long list of awesome women who, at inflection points in my career, were just there and encouraged me and kind of saw something in me and spoke to what they saw in me and when I was doubtful they... I would have said at some levels, cajoled me, pushed me like really put their foot in the small of my back and pushed me forward and I discovered I could do it.

**MURRAY:** Yes

**SARAH:** So that exquisite balance of really challenging you to be the best that you could be and at the same time supporting you so you didn't feel like you were really out on a ledge without a resource. When I wrote the list I kind of went, "Oh my god." And that was just until I was thirty.

**MURRAY:** Yes, I think it points out that everyone has many people who influence us.

**SARAH:** Yeah.

**MURRAY:** At different...

**SARAH:** Yeah. Like I couldn't say it was one, but I think with the work it's the clients in the work.

**MURRAY:** Yeah. I really like that about the clients because I think we sometimes forget clients or even employees we're working with and they actually shape us. They influence us and we get a lot of learning from them.

**SARAH:** Yep. Yep. And look... you know, a lot of positive feedback. So when you do something that they're really doubtful about and then you achieve a result and then you look back and you go, "Wow. I'm even surprised that we achieved that together." And we achieved it together. It wasn't me, but it's kind of like being... you're braver to take on another challenge and see what you can do with that.



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**MURRAY:** So you've talked about the systems work. What really drew you to it?

**SARAH:** So that was interesting. I am on the faculty of The Leadership Circle and The Leadership Circle system is a whole suite. It's an approach. It has a 360, a culture survey, etc., and so the whole approach to whole system transformation through leadership. One of my colleagues in that field said to me, "Have you looked at systemic constellation? I think you'd be fantastic at it." And I said, "No, it sounds intriguing." I went along and the particular workshop that I went to was on family constellations. I went to this workshop and I just, I went, "Wow. I can see how this could be very powerful in organizations." There was something in me that went, "Oh my goodness. I've always had a systemic view, but this takes it to a whole new level." It was like, "Oh my goodness. A conscious application of understanding systems dynamics." There was an inflection point because I was realizing the limitations. Like whatever concepts that I hold is that with the accelerated pace of change, with the convergence that's going on, with the complexity, ambiguity and all those sorts of things and the pace... you know, the pace that's in all of that... we as consultants need to find better leveraged tools and processes and all that sort of thing, to work with our clients. Because if a change initiative takes on average seven years to deliver the results and you need your business to turn on a dime, we better come up with much better leverage approaches. I think it is very potent and powerful to create that lever. I've had that experience where I had a particular client, came with an issue... something that would normally take you somewhere from nine to twelve months to coach them through. I gave a two and a half hour session with this person using systems dynamics and mapping out the system and working out what were all the intersection points. At the end, the person had a complete understanding of what she needed to do. She had a blueprint and she had strategies and she had deep insights into the dynamic. I checked in six weeks later and she was right on track. We agreed to check in six weeks after that, which we did and she'd sorted the whole situation out. And it was the way I presented it at the beginning. It would be one of those situations where I go, "Oh my god. I don't know how we're going to work this out, but let's tackle it because it needs to be worked out." That's amazing.

**MURRAY:** Yeah.

**SARAH:** If you... return on investment. That's amazing.

**MURRAY:** I must say, as I use it more in my work, you do certainly get to the heart of the issue much quicker. You get better insights for your clients. It's such a great way to approach things.



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You talked about constellations there. People would be listening and wondering what a constellation is. What does that mean? Could you maybe explain how you use that and what it is?

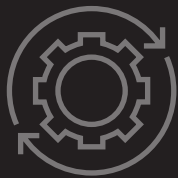
**SARAH:** Well, a constellation is basically mapping the system using people.

**MURRAY:** Yep.

**SARAH:** So you identify what's the system you want to examine. You need to establish some boundaries around that so that you're examining something discreet or it becomes too wild and woolly, but you then just map the system. Say you identify what are the elements and you want to look at the relationship between the elements. So the elements then are either represented by pieces of paper on the floor or the way that's really really potent is actually to do it with human beings as representatives of the elements in the system. What is fabulous about that is you then have a talking representative. So the representative can report out experiences in each of the locations in the system. And this is obviously a specific way to facilitating that so that you make sure that you're getting the kind of information that's useful versus the kind of information that's personal opinions and that's where you need to learn how to do that because it's a specific skill. But then you basically go through three phases. The first phase is the way try to understand what the current reality is and where are the hot spots in the system that you need to do some sort of intervention. Then the second phase is when you start intervening in the system and changing the dynamics. And then the final phase is when you've got the go forward position. And so you've discovered what you needed to discover from the system. It might only give you the next impulse that you need to follow or it might give you a lot more than that and typically it gives you a lot more than that. But sometimes it only gives you enough to make the next step. But it breaks the impasse in the situation or it disrupts the pattern. So that can happen in an organization that you keep trying to address an issue and that doesn't get addressed no matter what you throw at it, it keeps recurring. So looking at it systemically can help you discover what you're not noticing or what you're not realizing.

**MURRAY:** Yeah.

**SARAH:** And that is fascinating because when you do something like that, it doesn't usually reveal something novel, it reveals the significance of something that you have given a different significance. And so it reveals nuances. It can reveal surprises too, but in its' gentlest form it reveals nuances but very material differences.



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**MURRAY:** The big part about this is really helping people see a different picture and understand what's going on and how everything is playing together. I think it helps people see that. Doesn't it?

Now through the work you do, and I've seen it myself, there's a lot of 'aha' moments that come up. One of the questions I have is, "What's been your 'aha' moment in terms of your leadership journey?" And there's been several I would guess, but what's one that you think is fairly significant that you would like to share?

**SARAH:** One was with one of my kids. He went through a really, a terrible time in his teenage years and it got pretty life and death kind of scenario and everything in my body said, you have to take a tough stand. If you do not take a tough stand, like a really tough stand, this is going to end in disaster. Like it's guaranteed to end in disaster. Like I can't see how it would go any other way. And then the mother in me said, "You can't do that. You can't do that to your son. You cannot do that to your son. No mother would do that to your son." The leader in me had to say, "Tough. You have to do this or else your son will be sacrificed." It took three days of talking it through with my husband for us to get to a place where we said, the risk is worth it because what we were doing could also go terribly bad, but it also could go terribly well. So it's like we had the untenable choice, but possibility with one and none with the other.

**MURRAY:** Yeah. So what was your 'aha' moment from that, Sarah?

**SARAH:** That leadership requires you to have the courage to do what you know is right even though it scares the pants off you.

**MURRAY:** Yeah.

**SARAH:** And even though it would go in the face of something else, and I mean this comes out in the systemic work. As a leader are you willing to be guilty? Are you willing to do something that many people in society will not understand and you will be judged and judged harshly for what you are about to do, but you're doing it for the greater good and you've done all your due diligence to make sure that as best as you can work out, this is the right way to go as you know.

**MURRAY:** Yeah.

**SARAH:** you know you're going to step into the fire with it. Ultimately, it turned out the best it could possibly turn out, but there were a few months where it was very rocky and there were a few years before it really landed. So it was a process probably... ultimately it was a four or five year process, but we saw the results of that harsh decision within four months and it went well.



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**MURRAY:** Yeah. That's good to know.

**SARAH:** And now, I have to say that that son is very together.

**MURRAY:** Very together. Good. And does this touch on... you talked earlier about having this great empathy for leaders who are at the top and having to make these decisions and that really sounds like part of this comes from your own experience there.

**SARAH:** Yes and I would also say that in my work in the health field, a lot of people had very harsh things to say about a lot of people. I heard all of the huge judgments against these people and I made the decision that I wanted to get to know the person before I joined in that judgment and what I found in my life is, going back to that, everybody's trying to do the best they know how and most human beings, even when you think they are hatching a plan to do the worst thing possible, when you get under and you get close to people and you seek to understand their perspective and their point of view and you genuinely walk in their shoes, you realize from their perspective what they're doing makes complete sense. It's coming from a good place. I read something when I was an undergraduate that mental illness is often the healthiest choice in a really insane situation. So having a mental illness becomes a coping strategy for a situation that's untenable. At some level everything makes sense to someone. So what would happen if we understood that? I think that's the doorway to wisdom.

**MURRAY:** Yeah. For myself I work very hard now to ask, "What's the story behind the story?" And just to really understand more what else is going on here? Because obviously, what we see on the surface isn't everything.

**SARAH:** Yeah, and I think... one of the things that I feel very much for senior executives and leaders of organizations, if they take their roles as seriously as their roles demand of them. Now if you are responsible for a hundred or a thousand or ten thousand people, this is a big gig and who is coming alongside and getting how big the gig is and how big the ask is and what does that ask of human beings and how can... and I think that that... so that's my position as a consultant. How can I be a resource to those people in a way that enables them to execute their roles in the best possible way.

**MURRAY:** Thank you for sharing that moment, your 'aha' moment.

So third and final question and it's one about mistakes, failure and what we learn from



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it. So what would you say is one of your biggest failures and how does that inform you today on how you approach leadership and what you do?

**SARAH:** Somebody who I was working with wanted an opportunity and my recommendation was held in high regard. This person came to me and asked me would I be an advocate for them in a particular job situation where I had a lot of influence. I knew that particular person was very good at what they did and so I was willing to recommend them. What I didn't count on was that person when they got the role and they got the role I suspect because of my recommendation then defamed me inside that client.

**MURRAY:** Wow.

**SARAH:** It was interesting because I had a huge project with them, which was probably about 60% of my revenue and with that defamation that happened that was whipped out from underneath me. So I had to go through my own transformation and my own horrendous change. I mean on a very small scale, but it was... they hit right at the commercial aspects of running my business. So I think that that has made me... not that I wasn't before, but in a whole new way acutely aware of the financial management of a business and the ramifications and how important all of that is. I think as a consultant being very clear about what that is and what it's like when you have to let people off. So in a very... it's no way as big as a large organization, but I still had those experiences. I know exactly what it's like when you have to do that and I think that that produced a huge compassion for people who... when they're executives and they have to do that. I understand exactly what they're going through.

**MURRAY:** What would you say was your mistake in that example?

**SARAH:** My mistake was not reading the politics.

**MURRAY:** Right.

**SARAH:** There's another complex story behind it as to why this... I was going through a... negotiating a business deal with somebody who really... we were putting together a very exciting project. We were in advanced stages of negotiations and the recycling of the negotiations I kept on going, "No. There's something not quite right in this. There's something not quite right here." In the end I said, "Look, I don't think we can go ahead with this." The other person in the deal wanted everything for him at the sacrifice to me and in the end it just didn't stack up commercially. So I said, "No. We're not going to go ahead." And then again I had to take a strong stand with him over



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some commercial matters and then the person who was looking for the role was actually his partner. So it was all vendetta against me for ordering what I needed to do commercially. Yeah. So that was me being open hearted and open minded and not reading the play, not reading the politics.

**MURRAY:** It's interesting. You work in the larger systems now and that was really about understanding the larger system around you

**SARAH:** Yeah. Exactly. So I wasn't... you know, I was discounting the larger system and the impacts at play, so...

**MURRAY:** Great.

Sarah, thank you for your time and sharing those stories and I think also giving us a great insight into the system dynamics and how it plays out in organizations and it's really interesting to hear about the work you do. I'm sure people listening to this would want to get a bit more information. If they do, how can they get in touch with you?

**SARAH:** Well, certainly if you can look at my website. So that's [www.sarahcornally.com](http://www.sarahcornally.com). So S-A-R-A-H. Cornally, C-O-R-N-A-L-L-Y. That's Cornally dot com and certainly on the events page there's all the information about the systems dynamics work and we do it in the systems intelligence labs which are short evening events and then we do one-day workshops and then a full scale training. So that's all there on the website. There's articles on my website, so lots of blogs and things.

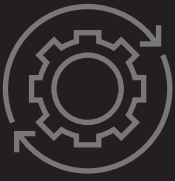
**MURRAY:** Yeah. I would recommend the articles because they give you great insights about some of the different elements and how it's used. So we'll put that into the show notes and get it up on the website when we publish. Sarah.

**SARAH:** Thank you.

**MURRAY:** Thank you again and look forward to talking soon.

Thanks to Sarah. A great insight into how looking at the wider system dynamics can really help people understand that bigger picture and from that they are able to make the changes that are going to stick and deliver results.

That's it for this episode. Thanks for listening. Head to [murraywright.com](http://murraywright.com) for the transcripts, key learnings and resources from today's and past episodes. Whilst you're



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