

## **Leading Business Transformation - Learning by Doing**

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*“The only way to lead when you don’t have control is you lead through the power of your relationships. You can deal with the unknown only if you have enormous levels of trust, and if you’re working together and bringing out the best in people.” Meg Wheatley, 2002, **The Servant Leader - From Hero to Host,***

*“The main contrast is between the metaphor of organisations as machines and that of organisations as living systems” Capra, F, 2002*

*“In our experience, enormous struggles with implementation are created every time we deliver changes to the organisation rather figuring out how to involve people in their creation.” Wheatley, M and Kellner-Rogers, M, 1998*

*“The right way to do things is not to persuade people you’re right but to challenge them to think it through for themselves.” Chomsky*

### **A different world**

Somehow the world suddenly seems different. The horror of 9/11 has made it even more evident that we are one interconnected world – what goes on in other parts of the world, particularly in poorer countries and different cultures, and how we are seen there affects us all. In this rapidly transforming world, we are confronted with major issues, many of them global.

Business leaders, in all sectors, public and private, face an enormously difficult task - both responding to these issues and ensuring the survival and prosperity of their organisations at the same time. They face intense and constantly shifting global competition, technological revolution, faster and faster change, enormous pressures and huge complexity. At the same time we are confronted with the ecological crisis; the growing gap between rich and poor within and between nations; the effects of global capitalism and unstable financial markets and lack of balance in our lives. Unsustainable Western lifestyles and growing resentment towards America and the West are everyone’s business.

The reality is that all these issues are opportunities. Business always has been a largely benign and innovative force, when it responds.

### **Organisations today - we need a more complex approach to leadership.**

The world we live in is exciting and full of opportunity — but also hugely demanding. Because of the degree of complexity and uncertainty, a far more complex approach to leadership is needed than got us by in the past – not so much a heroic approach but a more enabling one.

Leaders need to learn that what worked in the past does not work now. Organisations, like life, cannot be controlled. We need to understand how organisations actually change. Organisations are self-generating, living systems. They change and adapt through

informal social networks, sometimes called “communities of practice”, as much as through formal structures.

*“The aliveness of an organisation – its flexibility, creative potential and learning capability – resides in its informal communities of practice.” “These are informal networks – alliances and friendships, informal channels of communication ... and other tangled webs of relationships – that continually grow, change and adapt to new situations.” Capra, F, 2002.*

Perhaps organisations were always like this but it is exceptionally true today – a good mixture of formal and informal structures. The formal will be most appropriate when created as a result of interaction between the two.

So, leaders now need to do **two** things exceptionally well: On the one hand, they have to **offer an appealing message** about purpose, values, vision, direction and culture. On the other, they need to **enable** the organisation – to respond, adapt, create, re-create and replace itself as a living system. In an organisation there are two ways of creating the future. On the one hand there are **designed** structures, which are first created in our imagination; on the other, there are **emergent structures** (Capra, F, 2002). The leader has to know when each mode is appropriate and enable both.

Such leaders need to be human and authentic; often admitting to not knowing but wanting to learn and find out; involving stakeholders in deciding, planning and implementing strategic changes; giving everyone dignity and meaning; having faith in people; creating conditions that bringing out their full abilities; valuing the knowledge and contribution coming from diversity. It is about releasing the energy and spirit of everyone in our organisations. It requires integrity; being corporate citizens and having the courage to stand out against what is wrong. Basically it amounts to “servant leadership”.

None of this is easy in the intense competition of the global economy. But it is no longer an option. The alternative is too grave both for individual companies and everyone’s livelihoods. Failure to do these things almost always has severe consequences for a business: resistance and cynicism; changes that do not work; deteriorating performance; falling share values; loss of good people; exposure and loss of reputation that affects business as a whole. And in the bigger, global picture, it means increasing instability; worsening climate change, increasing pollution, more suicide attacks, the danger of catastrophic conflict and all life on the planet is threatened, including our childrens’ futures.

### **Developing Strategic Leaders - Leadership is best learned by doing, rather than talking about it and then trying to do it afterwards — maybe!**

Development programmes that do not recognise the changed nature of the world, of organisations and the totally different kind of leadership that is needed, will not work. When they continue to be didactic education and training and reflect a machine metaphor for organisations, they will be out of tune with our time – they will develop dependent managers, seeking certainty and security, rather than the free spirits who can embrace ambiguity and confusion.

In my experience, leadership is best learned by doing, rather than talking about it and then trying to do it, maybe. Otherwise the chances are that the programme will be just another ring binder on the shelf. The “day job” will prevent any significant change.

For some years we have been working with directors and senior managers, helping them develop their capability as strategic leaders. We have developed an approach, which I call Real Time Leadership Development.

What we are trying to do is create ways of helping leaders bring out the full potential of the organisation to adapt as a living system. That requires a radically different approach. This article describes where we have got to in learning how to do it.

We need to understand how change emerges in a living system; that transformation can be encouraged but not controlled; how to handle complexity and ambiguity; work with polarities; thrive on uncertainty; and realise that chaos, confusion and resistance are part of the process of creative change and adaptation to a new situation. So our approach tries to give them a real, living experience of this.

The following is a simple explanation. This is where we have got to thus far, in our quest for what works.

The essence is to create a situation where people can learn by doing – transforming their organisation and learning at the same time. Doing is worth far more than a lot of talk. Then there is less of a problem transferring learning to their work in the organisation because they are learning, leading and transforming the organisation all at the same time. Given the appropriate understanding and support at the top and a spirit of partnership, it can work well. It can provide an emerging model of how to bring about transformation and of how things can be in an organisation – a model that we develop together as we learn how to do it.

### **Basic Principles**

Here are the basic principles:

#### **Fig 1      Real Time Leadership Development – Basic Principles**

- The subject matter is your business – the opportunities and issues you face
- Transforming the organisation and learning at the same time
- **Not** training **but** “real time” - the two modes do not mix successfully
- Clear business purpose and a practical pay off
- Partnership — we all share responsibility; all learning and making mistakes
- You are the experts on your business
- The facilitators focus on the process for business transformation and learning; saying things that aren’t being said
- Passion; being who we are; excellence; creating a new exciting culture; learning from difference; celebrating
- Reflecting, reviewing, giving and receiving feedback, learning from each other
- Flexibility to respond to everyone’s unique needs
- Long term strategy and support for transforming the business, fundamental shifts in culture, mind-set and habits

- Facilitators will be able to support and challenge best when they know the organisation, its people and fundamental issues well; a succession of different people may not help this.
- Create ownership - hand over, but stay involved
- Think whole system; whole person: mind, heart, energy and spirit — holistic

### **What it is and how it works - a strategic approach**

The approach is long term. Change cannot be brought about by one workshop without follow-up and continuing, consistent support. Most research into change efforts reports that 75% to 85 % fail to deliver the hoped for results, partly because people are not properly involved and supported and partly because the efforts are not sustained long enough before some new magic is tried. People in organisations become increasingly cynical as a result. For it to work, there needs to be a strategy for building readiness; consulting and involving key stakeholders, including the participants; creating understanding of the approach and of the support that is needed, particularly at the top . This is the basic structure of a strategic approach.

Partnership is a key part of a successful long-term intervention – especially a partnership between the external and internal consultant and other stakeholders, making full use of the skills, knowledge and understanding each has.

### **Fig 2                    A Strategic Approach — not a quick fix**

#### **Build a partnership within the Organization**

- Build a partnership with the Internal Consultant or Chief Executive
- Create values, purpose and vision
- Identify the key issues of the organization
- Develop strategy together
- Clarify your respective roles and contributions

#### **Building Readiness and Planning**

- Contracting and planning with CEO and his team: the business purpose and support they need to give; involving stakeholders
- Consultations with participants - to identify their needs and how they want to use the programme – and other stakeholders about the organisation and what needs to change; validate the diagnosis, purpose, objectives and design; build a team of facilitators

#### **Workshop 1**

- first workshop to develop vision, purpose and strategy

#### **Implementation**

- initial period of implementation; networking and meeting in support groups

#### **Workshop 2**

- a second workshop to review progress, learn from what has happened, work on key issues, plan and propose how the change strategy should evolve

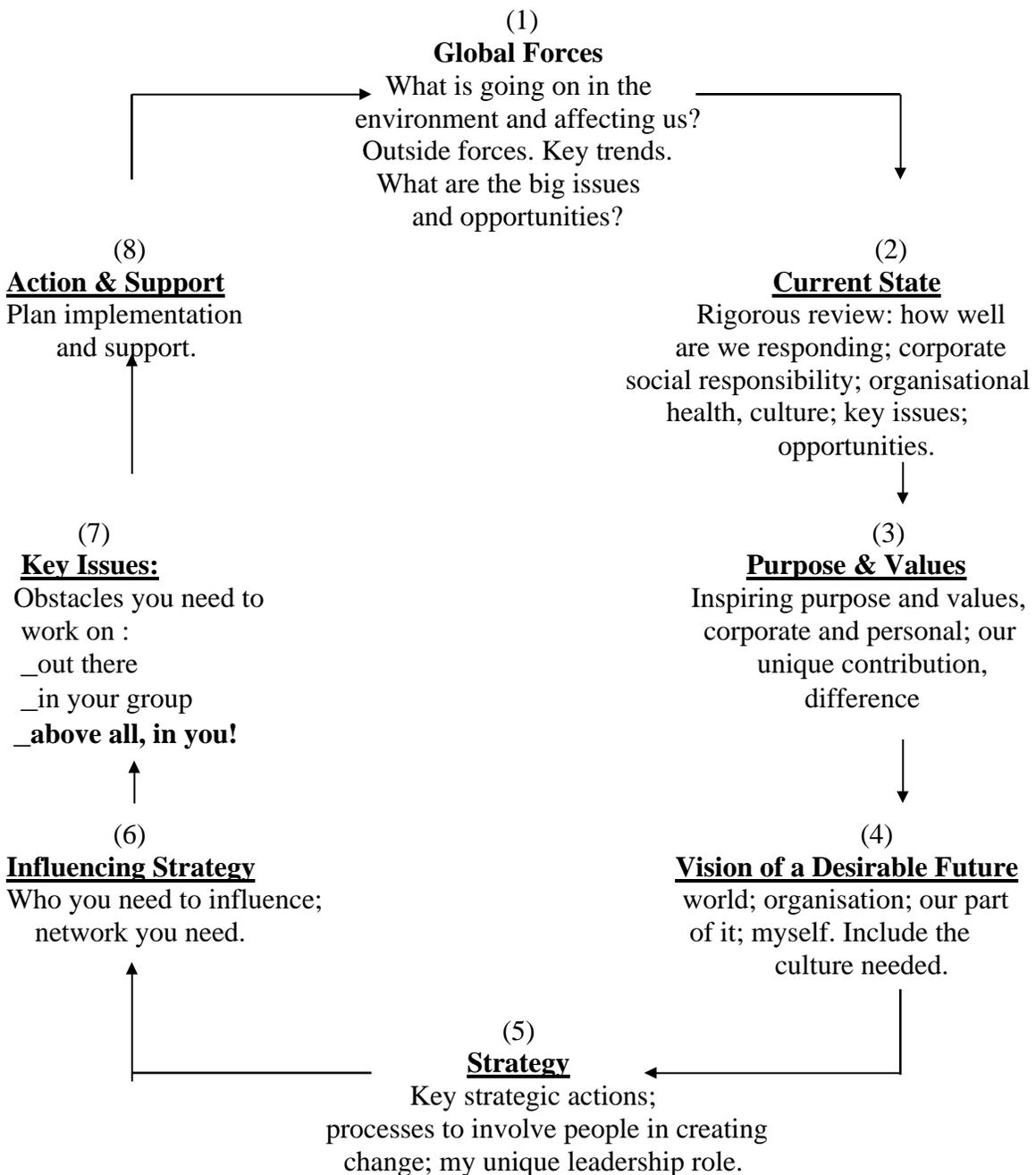
**Building critical mass and sustaining change**

- further, consistent, long term support – determination to see it through.
- participants and other stakeholders plan an emerging strategy to continue and sustain transformation

**The Strategic Leadership Model**

Here is the model that provides the underlying process of the programme. Participants work through this model during the programme.

**Fig 3 STRATEGIC LEADERSHIP MODEL©**



The really tough development issues emerge at stage 7. Our own development is the key to it all and this is the opportunity to face these issues and work on them. We have most power to change our selves. But it is not easy. We need to build an atmosphere of trust in which it feels safe to be honest about ourselves with others.

### **The First Workshop**

The basic structure of the First Workshop, based on this model, looks like this:

**Fig 4     Workshop One - Discovering and following your passion – Using the model.**

- Together create a space and a learning community that liberates everyone’s spirit
- build together a picture of global forces affecting your business
- rigorously review the current state and identify key issues and opportunities
- define your values and purpose; your core ideology; your unique contribution or difference
- create your vision of a desired future for the world, your organisation and yourself
- develop your strategy and influencing strategy
- “OPEN SPACE”: identify and work on your key issues: obstacles and opportunities: - out there; in your group and in you
- plan actions, support; propose emerging strategy to develop critical mass and sustain the work; and review

These are the conditions that we have learned, from successes and from many mistakes, are needed for success. Sometimes they have not been achieved at first and we have had to work to achieve them over time. But their absence can mean failure or a very partial success in which the organisation spends a large amount of resources, only a few people benefit and cynicism is further reinforced.

**Fig 5     CONDITIONS FOR SUCCESS – Lessons Learned**

- The full understanding and support of all stakeholders including the CEO and his team; preferably they become full time participants or full time facilitators.
- The programme clearly supports corporate purpose, goals and values
- Partnership: contract with stakeholders and participants – shared responsibility for success; learning together; up front about being “real time” approach; commitment
- Ownership: steadily hand over leadership and facilitation; facilitators let go and stay involved
- Build readiness and trust
- People feel safe to risk being themselves; authentic; visionary; free to admit mistakes and learn
- Collaboration, no competition, in the facilitating team

- Balance between being challenging and being supportive
- Acceptance that today we need a whole system approach to change – get the whole system into the room
- and a whole person approach to leadership – integrating mind, body heart and spirit
- “Servant Leadership” philosophy
- Congruence – be the change you want to see - if we use old paradigm training and development, we can’t expect people to take their power and lead! You can’t mix modes and expect it to work.
- Continuing, consistent support: follow up and reviews; an emerging long term strategy to embed transformation; not just one event
- Challenging support in tackling the fundamental issues of an organisation and its people, is helped by continuity, not a succession of new facilitators.

It is in the first and the last three bullet points, particularly, that initiatives can founder. Failure to build in continuing, long term support from the start can sabotage the investment. Also, there needs to be a shared diagnosis of key organisation issues that the work will aim to address. Dealing with personal issues requires growing trust and understanding. This may be hampered by a succession of facilitators – this can be an unaware strategy for avoidance. Resistance will almost always emerge somewhere, somehow, often where least expected. The question is when, where and how. It needs to be anticipated by fully involving stakeholders from the start and, if it arises, spotted and worked **with** wisely. The martial arts can teach us here – going with, not stiffening, yin rather than yang responses are needed.

### **A holistic approach**

Our experience is that it needs to be an explicitly holistic approach – integrating mind, heart, spirit and body. Energy, spirit and creativity are vital for organisations. These are diminished when people are depleted and burnt out. Excessive stress is typically one of the big issues. This is one of the lessons to be learned in work like this. People need balance and ways of restoring themselves. And during our workshops we have provided such things as meditation and Qigong. We create a situation where people can get in touch with their spirit and heart; where they can to be fully who they really are. It means facilitators having the courage to take risks in what they say and do and thus making it safe for others to take the risk of being fully human at work. We try to achieve an inspiring and liberating atmosphere from the very start.

Given these conditions the results can be remarkable. People reveal they are really motivated by their values and a desire to create a better world as well as their concern for the survival and prosperity of the business. Business isn’t just about making profit and stock market performance; sustainable business is also about doing good in the world too. They realise that their leadership and their development are the key to bringing about transformation and they have to empower themselves and others to take leadership. And they are likely to say it has been is one of the most valuable work experiences they have ever had.

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© **Bruce Nixon**, Berkhamsted, UK [brucenixon@waitrose.com](mailto:brucenixon@waitrose.com) tel 01442-864856, veteran management consultant in organisation transformation and learning, mentor, shadow consultant and author of many articles and *Making a Difference— Strategies and Tools for Transforming your Organisation*, 2001, and *Global Forces — a Guide for Enlightened Leaders — what Companies and Individuals can Do*, 2000, updated 2003, both available from Management Books 2000, friendly prices for AMED Members and certain other professional organisations, call 01285-771441/2 [mb.2000@virgin.net](mailto:mb.2000@virgin.net) [www.mb2000.com](http://www.mb2000.com) and [www.amazon.co.uk](http://www.amazon.co.uk)  
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