

Introduction

WE CAN REMEMBER WHEN CHANGE CONSULTANTS were few and far between. About the only people thinking about and promoting planned change back then were a handful of organization development practitioners, and they seldom captured the attention of senior leaders.

As we enter the 21st Century, change and how to lead it successfully has become the foremost topic on the minds of organizational leaders. And for good reasons: Change is happening everywhere; its speed and complexity are increasing; and the future success of our organizations depends on how successful leaders are at leading that change. In today's marketplace, change is a *requirement* for continued success, and competent change leadership is a most coveted executive skill.

Organizations' track records at change are not very good. The vast majority of today's change efforts are failing to produce their intended business results. These struggling efforts are producing huge cost to budgets, time, people, customers, and faith in leadership. Organizations are spending tens of millions of dollars on change efforts such as reengineering and information technology

installations, yet not obtaining their intended return on investment. Furthermore, the very methods used in these failed efforts are causing tremendous resistance and burnout in people, loss of employee morale, and turmoil in the cultures of organizations. Put simply, organizational leaders are falling short in their efforts to lead change successfully.

Over the past fifteen years, technology and other marketplace drivers have radically altered the very nature of change itself. Whereas change was once a contained transactional event (and easier to manage), it is now more open-ended, radical, complex, personal, and continuous. “Transformation” is the new type of change that has emerged, and it is by far the most prevalent and complex type occurring in organizations today. In general, leaders do not understand transformational change or how to lead it, which is causing virtually all of the change-related problems they are now facing.

Over the past decade or so, these struggles have given rise to the field of change management. For the most part, change management practitioners have attempted to provide solutions to two major problems—how to plan better for implementation and how to overcome employee resistance. However, these two necessary components of change have not produced adequate positive results, especially for transformational change. Why? Because attention to implementation and resistance is only the tip of the iceberg of what is required in transformation. It is now time to move beyond change management into change leadership, now time to develop the advanced change strategies that support this new type of change.

Leaders in need of change assistance have always been a window of professional opportunity for organization development (OD) and change management consultants. However, for the most part, these practitioners have not been as effective at providing the necessary support and guidance to organizational leaders as is necessary for transformational change. Put bluntly, most change consultants need to expand their awareness, skills, and approaches to leading transformational change as well.

What is the source of the problem? Is the issue about the changing nature of change? Is it about leadership? Or is it about organization development and change management consulting practices? *Our premise is that it is about all three: change, leadership, and today's consulting approaches.*

Transformational change involves a number of very critical and unique dynamics that demand a new leadership perspective, skill, and style. Most leaders, how-

ever, are viewing transformation through their old perspectives and are applying traditional management approaches that just don't work. Because leading transformational change is so radically different from managing or leading a stable organization, leaders cannot simply lay their old way of thinking, behaving, and operating on this new world and expect success.

Leading transformation calls for a deeper understanding of change and a new set of leadership skills and strategies. Leaders must broaden their understanding and insight about what transformational change requires, let go of or build off of their old approaches, and guide the process of transformation differently. In particular, they must transform their beliefs about people, organizations, and change itself; they must view transformation through a new set of mental lenses in order to see the actual dynamics of transformation; and they must alter their leadership style and behavior to accommodate the unique requirements of transformation.

This means that leaders themselves must transform in order to lead transformation successfully in their organizations. Only then will the new skills of transformational change leadership become available to them. Only then will they be able to see, understand, and apply the strategies and approaches that make transformation work. And only then will they want to.

This is not to say that leaders are bad, wrong, unskilled, or somehow flawed. In fact, quite the contrary. Over the past two decades, leaders have done a phenomenal job of increasing the productivity of their organizations. However, because today's change is so often transformational (making it much more complex), the requirements for today's leaders, out of necessity, are expanding. The challenge is that today's marketplace is not asking for just leadership. It is demanding *change leadership*—even more, *transformational change leadership*—a new breed of leader for a new breed of change.

Leaders are doing their best at leading change, given the training and experience they have had. Over the past few decades, organizations have put tremendous resources into turning their managers into leaders. Now, they must dedicate even more resources to turning those leaders into change leaders who can successfully lead the transformation of their organizations.

Organization development consultants must be there to assist. However, to play this critical coaching role, OD consultants must also deepen their own understanding of transformation, both personal and organizational, to become true experts in the field of transformation.

Over the years, OD has had tremendous impact on organizational performance with traditional approaches such as team building, survey feedback, work redesign, cultural audits, and vision and values clarification. But this work over the years has been mostly piecemeal and has seldom been applied system-wide as a part of a consciously designed, long-term process of change.

Transformation requires OD consultants to broaden, deepen, and integrate their approaches to change. In short, OD consultants must evolve the process skills of their profession to better serve the needs of 21st Century change transformation. They must take a larger view of what is needed in the organization—a whole-systems, long-term, process perspective. Furthermore, OD consultants must become better skilled at the intra-psychic and interpersonal dynamics of human transformation and learn to integrate these “people processes” with the systems dynamics of large scale organization transformation.

In the past, OD consultants have been content to provide service when their clients have allowed them; now, they must find ways to alter how they are viewed by their clients so they can have greater influence on larger, whole system change efforts. Where they have been reactive, OD consultants must now be proactive and deliver new strategies and tools that meet the unique needs of transformation.

We believe that both leaders and consultants need a breakthrough to what we call “conscious transformation.” The term “conscious” signifies a required shift in both leaders’ and consultants’ “consciousness” regarding how they view change, themselves, and their roles as change leaders. Let’s explore the terms.

Webster’s dictionary defines “*conscious*” as “to know, awareness of an inward state or outward fact; perceiving, noticing with a degree of controlled thought or observation; capable of thought, will, design and perception; acting with critical awareness.”

Webster defines “*consciousness*” as “awareness, especially of something within oneself, and also the state of being conscious of an external object, state, or fact; the state of being characterized by sensation, emotion, volition, and thought; the upper level of mental life as contrasted with unconscious processes; mindfulness.”

“*Transformation*” implies a quantum change in form, nature, or function. *Conscious transformation*, then, infers that leaders and consultants alike must become more “conscious” and aware of the deeper and more subtle dynamics of transformation, both personal (including their own) and organizational (including the organization’s strategy and systems dynamics unique to transformation). This increased awareness is the starting point for leaders and consultants to increase their change leadership skills.

A Multi-Dimensional Approach to Mastering Change Leadership

Mastery of any skill requires that you develop all aspects of the task. You cannot specialize in one area and neglect the others. For example, to be a masterful communicator, you must develop both speaking and listening skills. Masterful golfers must be able to hit both the long ball and the short ball well. Masterful parents must know how to discipline as well as how to nurture their children. Being exceptionally good at one or the other “polarity” is not enough.

Mastery, then, requires a focus on all areas of an endeavor and the pursuit of excellence in each. The more you improve your skill in one area, the more it calls forth your developmental needs in the others. Whatever you neglect becomes your weak link.

This principle of mastery lies at the heart of taking a multi-dimensional approach to transformation. Mastery suggests that leaders and consultants must become conscious of and competent in *all* of the different dimensions of transformation, even those that they are not yet aware of or comfortable addressing—areas that are “outside the box.”

Leading transformation *masterfully* requires that leaders and consultants attend to the dynamics within twenty-one different dimensions, all of which will be addressed in this book. Some of these dynamics are common and familiar. Many are not. Those that are familiar to most leaders and traditional management consultants pertain to *external* reality, as in organizational structures, systems, and business processes. Those that are most familiar to OD consultants pertain to *internal* reality, such as perception, feelings, interpersonal relationships, and culture. Mastery, of course, requires that leaders and consultants develop their awareness and skill in *both* arenas, internal and external.

The Three Elements of a Comprehensive Transformation Strategy

The three elements of a comprehensive transformation strategy speak directly to this need for a multi-dimensional approach. A comprehensive transformation strategy must include competent attention to (1) content, (2) people, and (3) process. *Content* refers to *what* about the organization needs to change, which are usually components found in the external domain, such as strategy, structure, systems, processes, technology, work practices, etc. *People* refers to the behaviors, emotions,

minds, and spirits of the *human beings* who are designing, implementing, supporting, or being impacted by the change (mostly internal domains). *Process* refers to *how* the content and people changes will be planned for, designed, and implemented. In other words, process denotes the actions that will produce both the external (content) and internal (people) changes.

All three areas must be *integrated* into one unified transformation effort that moves an organization from where it is today to where it chooses to be in the future. Organizations that take a piecemeal approach and separate their organizational and technical changes (content) from their human and cultural changes (people) fail dramatically.

Separating *content* change and *people* change is common practice. This is one of the many reasons that leaders' track records at successful transformation are so poor. Generally speaking, the content advocates, such as those promoting reengineering, restructuring, and information technology applications, such as SAP implementation, and business strategy, do not understand human and cultural change (the interior domains). In the same way, most people proponents, such as human resource professionals, organization development practitioners, team builders, personal growth trainers, and executive coaches, do not understand pure organizational and technical changes (the exterior domains). Consequently, transformation is usually designed and run as separate, non-integrated initiatives. This just does not work. Focusing only on content, or fantasizing that organization transformation is only about people, or attending to both external and internal domains yet in an insufficient or non-integrated way are all equally effective paths to failure.

How can you integrate these often conflicting elements of the interior and exterior domains? By *consciously* designing your change process! Although change strategy requires attention to all three critical areas of content (what), people (who), and process (how), process is the integrating factor—the dimension that links and unites the exterior and interior domains. Consequently, transformation requires an integrated process approach.

Content change and people change will become integrated into one unified change effort only if you consciously design the process of transformation to perform that integration. Furthermore, the process of transformation, or how the change effort actually rolls out, will ultimately determine whether or not people buy into and commit to implementing the content of the transformation. If you design a poor process that alienates your people, the transformation will suffer—even if your content changes perfectly fit your organization's current needs. Process, ultimately,

determines the success of your change implementation. Neglect process, or remain unconscious of the unique process dynamics and requirements of transformation, and you might as well neglect transformation, for it just won't happen. You must enter the arena of successful transformation through the process door.

This leads us to the main theme of this book: Leading transformation successfully requires that leaders and consultants focus on the dynamics of both human consciousness and change process.

An Invitation to Join the Exploration

Focusing on the dynamics of human consciousness and the transformational change process has been the backbone of our consulting and training practices for over twenty years. With all of our clients, we have attempted to take a conscious approach that blends attention to content, people, and process. Our consulting careers have been dedicated to understanding the multi-dimensionality of change, including how to change organizations as well as people. For years, we have attempted to integrate both the "hard" external and "soft" internal aspects of change, believing deeply that this integration was not only required, but represented the next evolution (beyond change management) that change leadership and consulting practices needed to embrace.

Building a multi-dimensional, process-oriented approach to transforming people and organizations has been our sole field of study. Our exploration continues and will certainly never be complete. In fact, the more we learn, the more we realize just how much we do not know. We write this book, therefore, not to share finite conclusions, but to reveal our latest insights. Our hope is that you will find the approach we offer to leading transformation compelling enough to join us in further exploring and developing it.

By nature, we are "action theorists." We read, study, and research, then rely heavily on our intuition to crystallize and integrate new learnings. We then build models and processes that we test heavily in the field with our clients. With their assistance, we next refine and evolve our thinking and practices. We attempt to be "pie-in-the-sky" visionaries, while remaining true and devoted pragmatists. We like our feet on the ground while our heads are in the stars.

We have engaged in this action research of conscious transformation for nearly two decades, yet our research base is rather small. Our small firm can serve only so many clients, especially given the fact that large system transformation efforts

are long-term, often lasting three to five or more years. So, although we invite you into this action research with us, we must, in all conscience, admit that these theories and tools are not “proven” in their entirety. More people, both consultants and leaders, are needed to add to the research base for the approaches we describe here. We hope that you will test the ideas and practices presented in this book, then expand on them based on your own expertise and personal findings. With your participation, this action research can grow and become available to even more organizations undergoing transformation. We are confident that your reward will be well worth the risk of experimentation.

Our Audience

Over the years, we have been fortunate to work extensively with both change leaders and change consultants. Sometimes, our clients are the senior leaders of the organization; at other times, our clients are the internal change consultants supporting those leaders. Usually and ideally, our clients include both the senior leaders and their internal change consultants.

In this book, we will thoroughly explore transformation and will provide an overview of what we believe it takes to both *lead* transformation and *consult* to it successfully. Consequently, we write for *both* leaders and consultants.

Certainly, there is a school of thought that suggests that we ought to separate the leader and consultant audiences and write specifically for each. This notion is especially valid given the OD series of which this book is a part. However, we feel strongly that treating leaders and consultants separately and delivering individual messages, tools, and techniques to them has been part of the reason for failure in transformation.

Yes, leaders and consultants have unique roles that require specialized skills, but transformation demands a common understanding and skill set. This does not mean that the two roles (leading and consulting) should merge into one. Leaders must continue to lead, and consultants must continue to consult. Yet to be effective in transformation, leaders must develop people and process skills previously reserved for or shunted to their consulting counterparts, and consultants must become more grounded in core business skills and strategies previously reserved for leaders. We intend this book to assist both along their respective developmental paths to becoming more competent “change leaders.”

Some of our discussions will clearly be geared to one or the other audience. At times, we will offer specific insights and techniques for leaders and at other times present specific consulting approaches and tools. However, in all cases, the “secondary” audience will benefit greatly from the discussion and from fully exploring the information and insights offered.

Given our bias and intent, we use the labels “leader” and “change leader” to refer to both leaders and consultants. When we refer solely to one or the other, we will make that clear.

We write with leaders of all levels in mind, with the key focus on leaders who have responsibility for designing, influencing, or implementing their organization’s transformational change plans. This obviously includes CEOs and other senior executives, but also mid-managers, supervisors, and employees who play vital roles on change project teams.

The change consultants who will receive the most value from this book are those responsible for educating, advising, and coaching line leaders to develop and implement large-scale transformational change strategy. Such consultants definitely include *process consultants*, such as organization development practitioners, change management specialists, and process improvement facilitators. It also includes all *content consultants*, especially those with expertise in creating e-commerce businesses within existing organizations, business process reengineering, information technology, knowledge management systems, business strategy, organizational redesign and restructuring, manufacturing technology and systems, and human resources.

We believe that this book will have broad appeal to anyone interested in or impacted by transformation. Consequently, we also write for educators and students of change. Educators can include vice presidents of human resources, management development trainers, college and business school professors, public school administrators, executive coaches, and public speakers. Students of change can literally be anyone, whether enrolled in school, working in the public or private sectors, or simply lay people seeking to further understand one core dynamic of the 21st Century—transformation!

And last, we write this book for all the targets of change, those people who are directly impacted by the quantity and quality of change that is rolling through all of our lives. For these people, who may not be able to influence directly *how* their organization’s transformation is occurring, we offer this material as support, knowing

that anyone equipped with a better understanding of the dynamics of transformation will be better able to cope with it and thrive through its implementation.

A Larger Body of Work

The structure of the book is designed as part of a larger body of work that includes a companion book, *The Change Leader's Roadmap: How to Navigate Your Organization's Transformation*, also in this OD series, and a complete set of change tools, published by Being First, Inc., our training and consulting firm.

Either book can stand alone, that is, one does not need to read the other in order to get value from them. However, the two books were written simultaneously and thus provide a complete overview of conscious transformation.

This book describes the *conceptual overview* of conscious transformation and what it requires to lead it successfully, whereas *The Change Leader's Roadmap* provides a thorough description of the actual Change Process Methodology that puts these concepts into *practice*. In other words, this book provides the theoretical foundation, and *The Change Leader's Roadmap* provides pragmatic guidance and tools. We have written both because of our devotion to blending concept and technique. (One without the other always falls short.) Given our bias for blending theory with pragmatic approaches, we offer tools and worksheets where appropriate throughout this book. And *The Change Leader's Roadmap* connects its pragmatic guidance directly back to the theoretical basis offered here. The change tools published by Being First are more comprehensive and detailed than what is offered in either book.

Our desire in writing these two books and in publishing the change tools is to provide all the support we can for your application of this conscious, multi-dimensional, process-oriented approach to leading and consulting to organization transformation.

Structure of This Book

There are four sections to this book. Section One, "A Call for Conscious Transformation," contains three chapters. In Chapter One, "The Drivers of Change," we address what is catalyzing change in today's organizations and, specifically, what is catalyzing transformational change. We demonstrate how transformation includes more drivers than other types of change, making it more complex and challenging. In Chapter Two, "Three Types of Organization Change," we define transformation and contrast it with the two other types of change that leaders face.

In Chapter Three, “Two Leadership Approaches to Transformation,” we describe two very different approaches that leaders and consultants bring to transformation and the impact each has on their potential success. In this discussion, we clarify why transformation requires leaders and consultants to become more conscious in their approach.

In Section Two, “Mindset: The Leverage Point for Transformation,” we focus directly on the essential human dynamics of change. Specifically, in Chapter Four, “The Role and Impact of Mindset,” we define mindset and demonstrate how it influences what change leaders perceive in their transformations and the results they are able to produce. We also discuss why self-management and personal transformation are required competencies in both leaders and consultants. In Chapter Five, “Fundamental Assumptions About Reality,” we explore mindset more deeply, looking into the fundamental assumptions about reality, organizations, and change that leaders and consultants currently hold. We explore how these deep-rooted beliefs must transform to enable leaders and consultants to succeed at transforming organizations. Specifically, we explore the Emerging Mindset that carries the hope of producing more successful transformation efforts and outline the ten operating principles for conscious transformation that come directly from it and their impact on change leadership.

In Section Three, “A Process Orientation for Leading Transformation,” we present a greatly expanded view of the process dynamics inherent in transformation. In Chapter Six, “Conscious Process Thinking,” we demonstrate that leaders’ traditional “project thinking” mentality prevents transformation and show how systems thinking is a move in the right direction, albeit one leaders have not taken far enough. We introduce conscious process thinking and overview three very different change leadership styles, suggesting that a “facilitative” style has the greatest probability for success with today’s leaders. In Chapter Seven, “Change Process Models,” we introduce change process models, contrast them to change frameworks, and describe why change frameworks don’t suffice for guiding transformation. We also introduce the nine-phase Change Process Model for Facilitating Conscious Transformation and the concept of “thinking disciplines” as a replacement for “checklists of prescribed action,” which are not applicable to the realities of transformation.

Section Four, “Conscious Transformational Leadership,” consists of two chapters that discuss the implications for leaders and consultants seeking to become conscious transformational leaders. In Chapter Eight, “Developing Conscious

Change Leaders,” we describe how the role of leadership has evolved and what is required to create a comprehensive development curriculum for building an organization’s change leadership capacity. We include an overview of the knowledge areas, behaviors, and ways of being most suited to conscious transformational leaders. We close with Chapter Nine, “The Leadership Choice to Transform,” which provides guidance for developing your individual capacity to embrace and succeed in leading transformation consciously.

In writing this book, we aspire to communicate what is possible in leading conscious transformation. We dream a dream here, a dream that has transformation actually deliver its intended business results and more. We dream of transformation that has positive impacts beyond profitability and shareholder value. We dream of transformation that improves people’s lives, deepens their ability to get what they want, and strengthens their relationships, trust, and joy in working together for common goals and aspirations. We dream of transformation that positively contributes to communities, societies, and nations. We dream of transformation that is so user-friendly that it bolsters people’s resolve and capacity for even more positive change in themselves and the world.

Nothing would give us greater satisfaction than to know that this book has added to the possibilities of these dreams. We hope it serves you well.