



Leadership and the Art of Transformation

Organizations are in a constant state of flux – meeting changing customer requirements, responding to market pressure, realigning staffing as workloads shift, and exploring new ways to improve productivity and morale. Often, the situation requires that leadership “turn the ship quickly.” But making organizational change, especially transformative change, is difficult and complex. While some organizations excel at making incremental change, few are successful at transforming themselves.

In our experience working with organizations over the past 22 years, too often leadership decides to pursue a change that is incremental when what is needed is a more fundamental, transformational shift. Let’s take an example:

Two companies, each experiencing decreased revenue and increasing competition, recognize that they need to improve productivity of front-line employees. Company A’s leadership reviews the literature on the subject and decides to implement a four-day work week in order to cut costs and increase productivity. Company B’s leadership begins by seeking input from its management team and its employees, conducting focus groups to identify the best ideas and options for improving front-line productivity. Leadership works with middle management and employees to chart a course much different from that of Company A, instituting a series of changes that includes: a) streamlining work processes, using employee task forces to identify unnecessary steps and wasted effort; b) establishing a culture of continuous improvement by moving the responsibility for front-line decision-making to teams of employees and supervisors; and c) establishing regular meetings across divisions to avoid inefficiency, communication breakdowns, and errors. The two companies have chosen very different paths. Company A has made a change; Company B has begun to transform itself.

Change or Transformation?

Transformation is a fundamental shift in an organizations beliefs, values and assumptions – in short, a culture change. In the example above, Company A’s leadership operates in a hierarchical framework where change is driven from the top of the organization with little or no input from those who are affected. Company B’s leadership shifted from a similar approach to applying a new set of assumptions – in particular, that their employees have valuable insights and can be partners with leadership to promote the organization’s success. They have initiated a change in culture, moving toward a more engaged style of leadership with an emphasis on communication, collaboration, and employee participation.

The Role of Leadership

The Results Group has studied leaders who accomplished fundamental organizational change. What characteristics make a successful transformational leader? The brief answer is that they believe the best solutions to organizational problems and

dilemmas are arrived at by considering several points of view before making decisions. They find solutions through exploration and discovery, and reject the “my way or the highway” approach. Peter Senge, making the connection between transformation and learning organizations, states in *The Fifth Discipline*, “In transformational learning there are no problems ‘out there’ to be solved independent of how we think and act in articulating these problems. Learning is not ultimately about tools and techniques. It is about who we are.”

The longer answer to the question about what characterizes transformational leaders goes much further. Based on our research, transformational leaders:

- Work with multiple perspectives or points of view and appreciate paradox.
- Seek to understand how others make sense of things, collaborate well and believe in co-creating the organization’s success.
- Draw from but don’t rely on standard techniques and tools.
- Identify and reconsider underlying assumptions.
- View situations broadly and holistically, see inter-dependencies.
- Help “unstuck” situations by use of metaphor, story, analogy and humor.
- Are outcome oriented: foster decision-making, risk-taking and self-correction.
- Possess a high level of self-awareness and self-acceptance.
- Keep their egos in check, build relationships based on trust, empathy, and respect.
- Exhibit creativity, rigor, flexibility, good listening skills, and patience.

Building the Organization’s Capacity for Change

How does an organization develop these qualities in its leaders and employees? First, the senior leaders exemplify these qualities and nurture them in others. Second, they identify others in middle management and at the staff level who have these qualities and provide opportunities for them to act as mentors and role models. Third, they actively recruit and select new employees who have these qualities.

Often organizations also retain consultants to assist them with fundamental change. Outstanding organizational consultants will not only help accomplish culture change more rapidly – they will also act as role models and work to develop the qualities listed above in the organization’s leaders and staff. Thus, it is important in selecting consultants that they exhibit these qualities. Rather than imposing pre-packaged approaches and solutions, they will recognize that every organization is unique. They will draw upon the expertise of your leadership and staff, and work collaboratively to find solutions that fit your organization.

*The Results Group has been consulting with organizations to achieve transformation and culture change, and to develop transformational leaders, for over 22 years.
A list of clients and references is available upon request.*