

1

TRANSFORMATION

Can It Be Done?

We can easily forgive a child who is afraid of the dark. The real tragedy of life is when men are afraid of the light.

—*Plato*

In 2002, Technology Inc., a high-tech manufacturer of precision tools, pushed its chips into the center of the table and went all in. Already number one or two in niche markets, the company wanted to keep that position and develop new product lines. At stake was the company's hope for the future: to become more innovative and create a better working environment for all employees. The company gambled that it could shift its structure from a traditional hierarchy—a command-and-control, vertical structure—to a flat, customer-focused, process-centered organization. It committed to transforming its leadership culture as a means of transforming the organization itself. The game's last card—the river of dreams—was revealed only after much dedicated work, but the wager paid off. Among Technology Inc.'s organizational winnings, which are still being tallied, are these:

- Turnover rates that dropped from double-digit numbers to near zero
- Previously poorly performing plants suddenly making and sustaining group-variable compensation

- A shift in metrics themselves to only three core measures
- Fifty percent reduction in product returns year after year for five years running
- A state-of-the-art talent management system that includes peer reviews; individual, group, and organizational-level compensation; coaching; and assessment and learning systems
- Zero recruitment costs due to 100 percent internal referrals of new hires
- Hierarchical, conformance-based culture transformed into a process-centered organization with a collaborative culture

Leaders today, especially senior leaders, are living in an increasingly complex and shifting new world order. The compelling challenge for leaders individually and as collectives is to develop bigger minds—new mind-sets that can anticipate and prepare organizations that secure new capabilities to address successive future challenges. This means that as a senior leader, your role is shifting too. We imagine that you experience an unsettled feeling. Gone are the days when you could simply lead and delegate from the top. You too now are a primary object of change, and you must personally take on this challenge in order to guide your organization into a demanding future. This new world has thrown its gauntlet at the feet of all leaders: it challenges everyone to face it, develop, and emerge to advance their professional cause. There is a new call to action for and new identity of leadership.

Yet a key element is missing from this discussion of how leadership faces a shifting world order. Organizations have grown skilled at developing individual leader competencies but have mostly ignored the challenge of transforming their leaders' mind-sets from one level to the next. Today's horizontal development within a mind-set must give way to the vertical development of bigger minds. Parochial mind-sets concerned only with

the immediate environment cannot deal with the complexity the new world order has foisted on us all. Getting better at what you already do is not good enough—not because it is wrong, but because it is inadequate.

The upward development of individual leaders is necessary but not sufficient. The continuing failures of organization change efforts testify to a willful ignorance of this harsh reality. The new world order requires new consciousness to deal with it. This book is about getting those bigger individual and collective minds. Serious change is for serious people, and we are introducing a view and a process that challenge all of us to show up, stand up, and grow up.

We hold to this self-evident truth: human beings seek advancement, adaptation, and development toward increasingly complex knowledge, mastery, and harmony in their environment.

When we talk about change in this book, we mean change beyond basic adaptive improvements in response to ongoing pressures and opportunities. We mean transformation. We mean creative new leadership beliefs and mind-sets and the new orders of leadership practice they generate that are capable of permanently advancing and altering the way leadership is experienced and accomplished. Limited change can take place without altering an organization's basic culture. Big change means a major intended shift upward in the organization's culture. Change may be incremental and may occur daily, but transformation is quantum change. Just as the butterfly transcends but includes the caterpillar in its transformation, individual leaders, teams, and entire leadership cultures can transform their current mind-set into a new one.

Consistently in our experience, transformation begins with a major step up in the beliefs and practices within the organization's leadership culture. *Change leadership's beliefs, and you change the culture.* We know that sounds simplistic, and we don't say it's easy. If it were, we would not be wondering (as you may be too) why so many modern organizations are so bereft of adaptation and learning. *Why does change come so hard?*

Voice of Change

Imagine if the people in your leadership culture were unanimous in their response to this survey item: “Our work is united by a common goal.” At Memorial Hospital, one of the cases in this book, 90 percent of the respondents strongly agreed with this statement about a commonly held organizational direction.

They also agreed that “the work of each individual is well coordinated with the work of others,” and “we are putting our shared success above our individual success.”

What would you give to have this kind of shared alignment and commitment in your leadership culture and in your organization?

This chapter lays out the framework of the main ideas for seeing your organization’s leadership overall. It begins by describing how leaderships and their cultures reflect differing consistent logics and how change in those logics can be impeded by certain mind-sets. From there, it explains why changes in leadership culture must begin with the senior leaders. The chapter then lays out three basic types of leadership culture, one of which almost certainly describes your own organization. After that, it tells where your focus needs to be throughout a process of cultural change and what to make of tensions between roles of managers and leaders.

Finally, it presents an overview of a general process or path to successful transformation.

But first, understand this now: change, especially large-scale organizational transformation, starts with you. You can no more delegate, defer, or demand culture change of others any more than you can delegate someone else to eat your food or drink your water.

If that sounds intimidating, then consider this piece of good news from our own experience: organizational leadership that takes on and follows through on the process of cultural transformation in support of other large changes consistently succeeds in terms of larger performance goals, while other organizations generally fail to change and struggle to survive. Think of this book as your survival guide to leading change.

Leaders, Logics, and Transformation

There is a logic to any persisting culture. A culture's collection of beliefs and norms fits together in a meaningful way. For this reason, in the Introduction, we proposed the concept of leadership logics: distinctive, consistent mind-sets that tend to pervade the culture of leadership in every organization. For example, one system of leadership logic, which we call Dependent-Conformer, centers on the idea that a leader gives an order for someone else to carry out. This type of culture excludes nonofficial leaders from participating in the leadership collective. It leaves them and their potential waiting indefinitely to emerge.

What potential could you add by tapping the talent of unofficial leadership, allowing it to join and add value to the leadership culture?

It's often useful to think of leaders as including people whose titles may not suggest "leader." This idea of nontitled leaders and their potential for joining in and advancing leadership

"Lead, Follow, or Get out of the Way"

That motivational statement for decades has betrayed a belief that leadership is about few leaders and many followers. We profess that that very old idea severely limits any organization's future. Followership maintains that the most effective human system for the maintenance and distribution of power and influence is the command-and-control hierarchy. Management control through the chain of command used to work in a stable world and still holds on in many organizations. But followership is rarely effective or efficient in a fast-and-tumble new world. We need as many leaders as we can get. The successful organizations we work with want everyone to have a shot at leading, and they regard followers as unsuccessful employees.

logics raises the question of how to think of and define what all kinds of leaders have in common. We believe that the best way to do this is to talk about outcomes.

The Outcomes of Leadership: Direction, Alignment, and Commitment

We define leadership in terms of outcomes: what leadership brings about. As a collective human process, leadership can best be described as what is done to set direction, achieve alignment, and get commitment (Drath and others, 2008). *Direction, alignment, commitment*: we shorten the three to the acronym DAC:

- *Direction*. Setting direction usually implies some measure of change, from incremental to major. For a senior leader, setting direction means charting a course of vision for the organization. Strategy addresses where you are going and how you are going to get there, so setting direction is part of strategy. All significant enterprisewide change emanates from vision and strategy. In organization transformation efforts, your leadership strategy is as important as your business (or organizational) strategy. Your *leadership strategy* is your organization's implicit and explicit choices about the leadership culture, its beliefs and practices, and the people (talent) systems needed to ensure success.
- *Alignment*. Alignment produces the right configuration of beliefs and talent in the systems, structure, and processes that enable your organization to head in the direction you have set. When leadership practices are jointly shared by the collective leadership, such alignment becomes a powerful force for change. One vital alignment is that between business strategy and leadership strategy. It provides an integrated strategic intent for the whole organization.
- *Commitment*. Commitment is getting the leadership culture and then the whole organization on board, believing and devoted to the direction set by your vision and strategy.

DAC as Qualities of Human Systems

It's important to note that direction, alignment, and commitment originate as qualities of human systems. If you don't believe us, try getting commitment from a computer operating system. Traditional management functions focus on just operational tasks. It's important to notice that a manager's tasks of planning, staffing, and budgeting are very different from the leader's work in achieving the outcomes of directing, aligning, and commitment, even though all may cohabit the same human body and mind—yours.

It is often difficult to stay aware of the difference in the day-to-day press of action, but leaders of change must discern it. More often than we can count, we (and perhaps you too) see company officers spend the vast majority of their organizational time in encounters about managing changes in organizational structure or systems and almost no time focused on human system changes in the organization's leadership culture.

Edgar Schein (1992) writes that what leadership really does is lead the organization's culture, which makes the human system pretty much the sole territory of leadership. But he and many other experts have been reluctant to suggest or verify an actual pathway for transforming culture. We advocate developing and advancing the values and beliefs of your informal organizational culture because these are the guides by which people operate and make decisions and are, ultimately, the most powerful operating system your organization possesses.

Attitudes and Assumptions That Get in the Way

"Change the culture?" you ask. "You have got to be kidding me. How can I do that?"

You can start by examining your attitude, assumptions, and beliefs about change.

During successful organizational transformation, the leadership culture serves as a unified force for new direction, alignment, and commitment. In our experience, four general attitudes can get in the way of embarking on change. As you look at where your leaders are now, think about the extent to which any of these might be a problem.

“Just Let George Do It”: The Myth of the Great Person (CEO). You or others may believe that meaningful, sustainable organization change, including culture transformation, is possible—but only if someone like Jack Welch or Lou Gerstner is there to make it happen.

It is easy to come by this myth. The popular press and many business books extol the actions of larger-than-life Great Person executives. The media document their achievements and hold them in high regard. It’s a powerful image. In some organizations,

Voice of Change

Many clients come to us seeking some kind of creative, unconventional assistance with developing leadership and changing their organization, and yet the majority of them think about change in conventional training and development terms. “What programs do we need?” they ask. “Do we have the right competencies?”

Conventional thinking is not your friend when it comes to transformation. Classroom training alone won’t get you there, and neither will a focus on developing individual leader competencies. Sustainable change means developing new organizational-level capabilities. That’s what DAC offers: a different way toward developing the leadership culture you need. A few powerful organizational capabilities are much more than a cluster of individual leader competencies. Without continuity for sustained collective learning in the leadership culture, the chances for change in your organizational success are slim. Sharing direction, alignment, and commitment is not easy; if it were, everybody would be doing it. It is possible, however, and it defines a pathway to transformation.

employees are so conditioned to it that they look to the CEO as a parental figure—someone to show the way, make all the risky decisions, and provide a safety net for others.

We call this the “just let George do it” attitude because it defers change to somebody else. In our work, we see senior vice presidents defer to executive vice presidents, who defer to the chief operations officer, who defers to the chief executive. It’s amazing to watch people give away their hard-earned power rather than stand up and lead. But leaders do give it away when they buy into the Great Person myth.

“Yes, But”: Requiring No Loss in Control. Imagine a wave of people ready to make the changes you say you want. Imagine them eager to join with you as soon as you raise the ceiling so that you and they can stand up for change. Are you willing to give them real space? Executives often tell us they feel reluctant to make this kind of invitation. They worry that they don’t know which way the wave will break. We call this the “yes, but” attitude: when there’s no assured control over how things are going to turn out, leaders often get deeply disturbed. Right now, is your own anxiety about possible loss of control making you want to postpone a big effort to change?

“Either-Or”: A Feeling of Not Enough Time. You may be too busy keeping up with operational changes and making the numbers this quarter to make time for messy culture work. Besides, even if you could get time and could get a grasp of all that’s needed, making any lasting change to your organization’s culture would take forever—if it happens at all. We call this the “either-or” mind-set. Time pressures force people into a false choice: either change the operations, or change the culture—there isn’t time to do both (Beer, 2001).

Leaders sometimes fall into the either-or attitude even though they value the idea of cultural transformation. Most modern human organizations do poorly even at adaptive, incremental

change and learning. Few are true “learning organizations” that continually adapt, learn, and readily grow in response to external change. But yours can get there.

“Are We There Yet?”: Basic Impatience. Leaders come to us asking at the outset how long their organizational change will take and meaning we should be practically there—hence the name of the “are we there yet?” attitude. But lasting change will most likely take time and serious intention. If it took thirty years for an organization to develop to its current stage, it’s pretty clear that it’s going to take more than thirty days of work to take it to the next level.

You might summarize these four, often robotic mind-sets in a larger, debilitating belief about cultural change that might be called simply “not me, not now.”

If you’re feeling not-me-not-now right now, is one or more of these mind-sets at play in you?

Change Begins with You

If you expect change in others and in the culture of your organization, then buckle your seatbelt and get ready to change yourself—first. Your change is the pivot around which culture change swings. If you keep the work of culture change at arm’s length, then real, lasting change won’t occur. The reason is simple: everyone else in your organization is sitting around with their arms folded, doing nothing too—just like you.

Culture change is a show-up, stand-up, participative, put-yourself-on-the-line personal process. Culture isn’t an object or system out there. It’s internal. You are in the culture, and the culture is in you. It’s a meaning-making interpretation process that you and others perform for survival. We want you to take that personally. Sustainable and durable change begins and ends with you and your commitment.

Of his experience leading change at Honeywell, Bill George, executive vice president of control systems and later CEO of Medtronic, says, “When I faced my self in the mirror I realized that Honeywell was changing me more than I was changing Honeywell” (2003, p. 50). This is bound to be true. In the process of changing the culture of your organization, you will change. You must; you are that much part of the culture.

Culture work is intimate and will reveal your vulnerabilities. You can’t manage and control real change the way that you can manage a benefits system. Your team can’t fix culture or manipulate it like a software system, a business plan, or a budget. You can try to “fix” or manipulate it, and a lot of managers do. But those efforts mainly account for the dismal failure of so many change efforts. People don’t like being manipulated. They prefer to be engaged. Isn’t that your preference? Wouldn’t you rather be engaged in a participative human process than be manipulated like a part in a machine?

Three Leadership Logics and Cultures

Vertical development of connected, or unified, leadership from one level or mind-set to the next is a practical matter. This is not just something that is nice to have. Venturing into transformation from one pattern or logic to the next is serious business. The endeavor is worth it only if you have to have a new, bigger mind-set, or logic, in order to face the future and execute your strategy. As we have suggested, a leadership logic is a set of beliefs and interpretations that underlies the choices made by and through the leadership culture. It is a supra-sense making, or collective rationale of culture through which the leadership society understands its situations and surroundings, and the principles by which it processes information and discerns outcomes.

In this book we look at three cultures, or logics, that range from earlier to later stages of development and complexity: Dependent-Conformer, Independent-Achiever, and

Interdependent-Collaborator. Most likely you will see fairly quickly which one applies most closely to your organization:

- *Dependent-Conformer*. In a Dependent-Conformer leadership culture and logic, authority and control are held at the top. Honoring the organization's code takes precedence over applied learning that may threaten the status quo. Success depends on obedience to authority and loyalty. Mastery and recognition of work operate primarily at the level of technical expertise. Mistakes are treated as weaknesses, and feedback tends to be negative and from above and is not sought or valued.
- *Independent-Achiever*. Independent-Achiever culture and logic distributes authority and control through the ranks. It focuses on success in a changing world and adapting faster and better than the competition. Success means mastery of systems that produce results in an individual's own domain and eventually contribute to the success of the organization. Recognition of good work honors systems thinking. Mistakes may be treated as opportunities to learn. Feedback may be multilateral and is valued when it develops the individual's ability for advancement and success.
- *Interdependent-Collaborator*. In the Interdependent-Collaborator leadership culture and logic, authority and control are shared based on strategic competence for the whole organization. The mind-set tends toward collaborating across boundaries in a changing world so that new orders and structures can emerge through collective work. Success means collaborative mastery of integrating systems that produce results now and into the future. Mastery and recognition of work tend to be at the integrated systems level. The system as a whole is intended to work effectively for the benefit of all across the whole value chain. Mistakes are embraced as opportunities for individual, team, and organizational learning, and both positive and negative feedback are valued as essential tools for collective success.

None of these three is better than the other two in an absolute sense. Each leadership logic has been and can be successful when the context is right. But there is an order of progression among the three. Reaching a new logic starts with recognizing where you are right now. And most senior leaders tell us that what they need today is Interdependent-Collaborative leadership because the new world order in which they lead is so complex. They tell us that they require a collective leadership working as a unified force for change. Everything about the increasing complexity of their competitive situation and environment calls for it. But few say that an Interdependent-Collaborative culture is what they have right now.

Three Frameworks for Transformation

In practical terms, three frameworks of focus guide effective work at cultural change. Each receives a chapter of its own, but we want you to have the three in mind from the start. We call them *Inside-Out*, *Readiness*, and *Headroom*.

Inside-Out

The source of transformation is your internal, intuitive, emotional, creative spirit realm of your deepest experience of being; it is subjective territory. Beliefs and meaning come from within (Inside-Out). In contrast, Outside-In is what operations are made of—the objective, empirical stuff. Inside-Out is the source of deep, sustainable change.

Readiness

By *Readiness* we mean your preparedness as a leader to face the challenge of change. Your degree of readiness depends on assumptions and beliefs that either enable or cripple your

personal chance at transformation. In Chapter Five, we elaborate on what we call the three forces of Readiness: your assumptions about the nature and use of time; the degrees of your felt need for control over self, things, and others; and your deepest intentions—how serious you really are. Your personal readiness for change will determine your ability to guide others through change.

Headroom

Headroom is our term for the space and time created to allow systemic development of the leadership culture. Expanding Headroom assists everyone to acquire the bigger minds that meeting challenges requires. Headroom is about having genuine and

Voice of Change

Advancing your organization's leadership culture is about executing your strategy while developing your leadership talent. By choosing the right level of leadership culture for the future, your leadership collective will advance to new levels of organizational capability that secure the organization through successive future challenges.

Inside-Out development of leadership beliefs must come into balance with Outside-In leadership practices. Creating room for that talent to grow changes your organization's systems and processes.

creative multilateral, multi-level connections with others in the course of transformation. It depends on internal and group dialogue, authentic public engagement, and collective learning. Headroom means a new social reality in the leadership culture. You know it is there when you actually believe (and believe in) each other and the new organizational reality and capability you are creating.

Transformation and Management

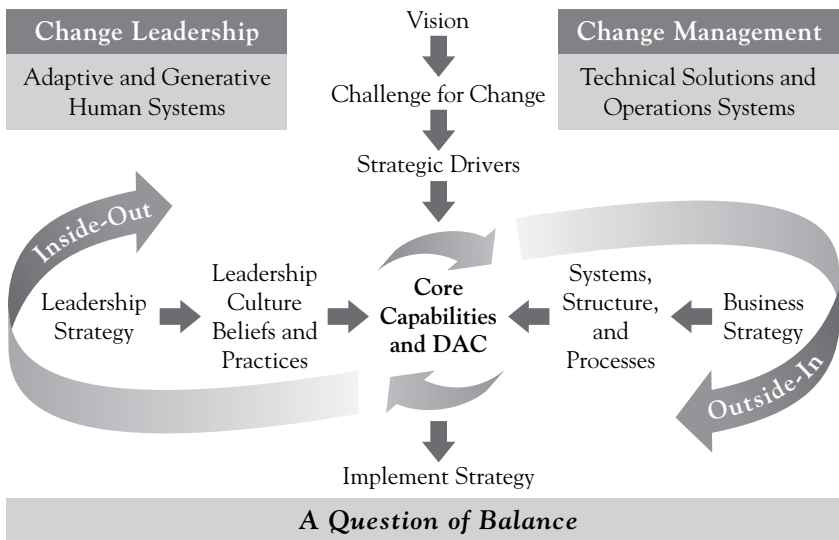
What are you: Leader or manager? Your answer is probably "both," and you know before we say it that your head has

a problem with wearing two hats. You're right. It does, and we need to consider why.

Change *management* gets a lot of play in business books and articles and academic theories. Much of the literature about organizational core capability focuses on global competitive ability and the associated management infrastructure required to achieve it. A short list of organizational core capabilities would answer the question, "What few underlying, inherent characteristics does this organization exhibit that make it effective?" Change management focuses mostly on external systems, structures, and processes.

Change *leadership* gets much less attention. We urge our clients continually toward a balance between change leadership ability and change management skills—between leadership's creative change outcomes and management's control-oriented technical operations. That balance is basic to successful transformation because both are required. Figure 1.1 may help you to visualize it.

Figure 1.1 Leadership Culture and Organization Transformation



As the figure suggests, everything in organizational change is driven by a change in vision, strategic direction, and the need for alignment and commitment to achieve it. When change leadership and change management are in balance and working in sync, an organization's leadership can ensure the direction, alignment, and commitment that enable the development of new core capabilities.

On the left side of Figure 1.1, leadership comes together as a unified collective, implements a new leadership strategy, and alters or reforms leadership culture. Leadership strategy is the organization's approach to advancing the leadership culture, practices, and people systems needed to ensure future success. That approach reflects leadership's conscious, Inside-Out intent about what the new leadership collective will look like and how it will be developed through conscious choices. In its absence, the same old recurrent unconscious choices will continue to be made.

On the right side of the figure, change management looks after changes in systems, structure, and processes that the business strategy requires. Operations are changed and reengineered. New product markets may be opened. The figure calls these changes "Outside-In" because management is concerned with the many external factors of operational systems.

Both change leadership and change management are needed to make progress in a new organizational direction. When you are asking when and how much of each is required, you are on the right track toward a chance at lasting change.

At the center of the figure are the leadership outcomes of DAC and the core capabilities that your organization requires. Core capability means what few key qualities and things your organization needs to have and be able to do in order to implement the business strategy and be successful in navigating the new organizational direction.

Change *management* is not for the faint of heart. It requires mental toughness along with technical and analytical skills, and

it demands your making calculated decisions and moving forward based on the best information possible. Change *leadership* requires similar qualities but also demands something different. It requires showing up and engaging personally in public ways and taking on risk and vulnerability in social settings in ways you probably did not learn about in business school or anywhere else. The vulnerability of public learning makes most of us far more uncomfortable than does managing the numbers, making business decisions, or performing most other management tasks.

The Need for Clarity About Management Versus Leadership

Almost everywhere we go, we ask senior leaders to do a quick audit of their calendars. We ask them to list the percentage of their “change” time this month they spent on operational systems versus the percentage on human systems. What we usually get is knowing laughter and shaking heads as they reveal they have scheduled and spent the vast majority of their time in operations and precious little, if any, time on people, culture, and the real source of change. In our experience as well, most U.S. managers in the baby boomer generation spend most of their time managing, with leadership as a secondary priority.

The work of management is about predictable, results-oriented work. Managers are paid to target goals, measure progress, and make it happen. Managing is technical work using objective tools and measures that lower uncertainty and minimize risk. Managers make the numbers.

Leader work is categorically different. It deals with uncertainty, taking risks, herding changes through the organization’s culture, and making those changes operational as new leadership practices in order to achieve the aspirations that management alone will never accomplish (Kotter, 1996).

Consciously and actively recognizing the difference between management and leadership in your daily work life is the most

essential quality you can foster in yourself and among your leaders. It's what we will call in Chapter Two the "zone of intentional transformation," in which intended change can happen.

Increasing Your Odds of Success

We mentioned in the Introduction that the chances of success in directed organizational change currently run about one in three or four. Our experience with clients and other research we have conducted or reviewed suggest that behind these poor odds is the reality that people in charge of change spend most of their time managing the technical systems and process changes required in the business operations, and precious little time on the changes required in the culture and the human systems.

Why does this happen again and again? It's tempting to view this as a problem of "the" manager duping "the" leader and undercutting what the leader tries to do. But if you are a manager *and* a leader, then you must be duping yourself! Could that be true?

Are you undermining yourself by allowing your management side to take over and deny your leadership side its full potential?

So, you may ask, "Balancing leadership with management is key to successful transformation, but most change leader-managers aren't doing it?" Yes. That's why, throughout this book, as with our clients, we insist on working toward a balance between the Inside-Out of every leader's role and the Outside-In of every manager's external reality.

The Path We Follow

In our work with clients, based on successes and failures, we've developed and improved a path that begins with analyzing the feasibility of changing the organization. It starts with

your organization's conscious decision to pursue a new business strategy (or, if you are public or nonprofit, an organizational strategy). At that point you can begin to ask what general type of leadership is needed to carry it off and how far your current leadership culture is from one that can carry it off.

The questioning begins with individual self-examination, personal dialogues, and exercises such as ones we suggest in Chapter Three. From there, it moves to similar processes with your senior team, testing out where the team stands in terms of a shared sense of worldview, intention, genuine truth telling and listening, and sense of the time required for change. In this process, the team works toward creating or redefining itself as a leadership team for change.

As the senior team goes through this process of learning, members need to continually ask to what extent they are willing to fully participate in and demonstrate in public learning and other ways that may make them feel exposed, just as they will be opening vulnerabilities in the people they are guiding in the change. Not every senior leader may want to come along. Not everyone can or will make the journey.

We believe that almost all organizational cultures can change to some degree, but feasibility and the readiness to change cannot be taken for granted. At many points along the path, you will need to weigh and monitor them. Weighing the feasibility and measuring readiness to change are fundamental steps in creating a leadership strategy that you can implement.

There is a practical reason to weigh feasibility early and often. We witness many organizations investing huge amounts of money, time, and people resources in changes that are destined to fail. Business process reengineering is a good example: from the 1990s into this decade, failure rates in implementation of reengineering have ranged around 90 percent. Companies lunged after efficiencies that consultants said they would reap from Outside-In process changes, without regard to or knowledge of the often huge Inside-Out stretch required by the human

system process and the logic of the current culture. If you do good feasibility work on the culture at the outset, you can save a lot of money and heartburn in the long run.

Recall that your leadership strategy is your organization's implicit and explicit choices about the leadership culture, practices, and people systems needed to ensure enduring organizational success. Conventional leadership training and development curriculum supports this definition, but this view of strategy goes beyond those conventions as well. Defining leadership strategy this way makes it about collective leadership aspirations and worldviews and about the connected role of organization champions who enable change with a shared understanding and develop the values and beliefs that support them. Here again is the recurrent theme of your challenge to develop new beliefs.

Whatever leadership team leads your change needs to design and sponsor the leadership strategy for the organization's collective of leaders. With that, the leadership team moves out to the wider project of transforming your organization's broad leadership culture. As that work succeeds, it extends the unity of approach to the organizational middle and eventually can involve everyone in the organization. These levels of work can make use of seminal, large-group events at which the top team hosts and takes active part with the entire leadership community; action development teams in which, for example, nonexperts from across functions are asked to tackle vexing strategic issues that may reside primarily within a function; and learning time-outs in which leaders step back from the heat of action to reflect on operations development.

The path is not circuitous, but neither is it serial or direct. Because it is born of strategy and informed by learning along the way, you may have to alter the route or even reinvent it. It is an unfolding process of discovery and navigation through territory never before encountered. Plans give way to their next iteration, based on what you learn. It is a process of creating the

future but does not rule out taking advantage of change that you see already occurring at lower levels in the organization.

Chapter Two will say much more about the nature and power of cultures. In later chapters we present feasible approaches to changing your organization by first changing leadership culture. You'll get direct talk and no-nonsense challenges that can help you be realistic about what is possible. You'll also examine supportive frameworks and tools to help you build your understanding about change, and read about how other organizations have approached leading organizational cultural transformation efforts—some successfully and some not.

Exercises

Learning Journal

Purchase a journal that you will use to record your reflections, insights, questions for further exploration, and experiences in applying the lessons from this book in your leadership to guide transformation in yourself, your senior leadership team, and the leadership culture of your organization.

This personal learning journal is a technique to probe your experiences for lessons you're likely to miss if you're not writing them down. While you're busily engaged in the "doing" of an experience, you may miss some powerful lessons. Reflecting on the experience and writing about it can lead to useful insights about important aspects of your life. These insights give you better information for future choices and help you develop an internal feedback system.

Journaling has several best practices:

- *Establish a routine.* If you don't make time for the journal activity, it will not happen. Realize it may feel awkward at first, but try to dedicate ten to fifteen minutes at some point in your day to reflect.
- *Periodically reflect on your reflections.* Try to set aside a larger block of time, perhaps twenty to thirty minutes every ten days, to look over

your cumulative record. This allows you to add other learnings and gives you the opportunity to look for patterns and themes.

- *Break out of the mold.* Remember that the purpose of the journal is your own learning. If the structure you have adopted is not facilitating that learning, try something new.

Questions

- How do you feel about culture change starting with you?
- What is your organization or business strategy? How much and what kind of change in the organization does it demand?
- Does your organization have a leadership strategy? What do you think it is? Is it in alignment with the business strategy?
- Does your organization have the leadership talent needed to implement these strategies?
- Are you capable of implementing these strategies?

Calendar Audit of Time in Leadership Versus Management

Open your day planner or PDA for the past month. Look at your daily schedule, and determine what percentages of your time you spent on leadership and management. Record both percentages:

Percentage of time spent in leadership activities	_____
Percentage of time spent in management activities	_____
Total	100%

- Based on the distribution, what would you change in order to involve yourself on a weekly basis with your organization's business strategy, its leadership strategy, and influencing leadership culture development in your organization?
 - What specifically will change in your weekly calendar?
-