

6

HEADROOM

Standing Up for Change

He not busy being born is busy dying.

—Bob Dylan, “It’s Alright, Ma (I’m Only Bleeding)”

Production has never worked right at this plant. No one on the shop floor has ever taken a share of the company’s performance-based bonus system, and every one of them could use the extra money. But money is the least of it. The front office people don’t like the shop-floor people. Ethnic groups cluster and work separately. The executives are pushing something called a process-centered organization, which threatens to lay tracks right through the middle of a lot of well-placed barriers. Look around the room. Nobody is going to let that happen.

But wait. The senior leaders at the front of the room are saying something new. They are not ordering compliance; they are asking for community and collaboration and commitment. “We believe this process-centered organization will benefit all of us,” they say. “But we don’t really know how to do it. We need your help to figure it out. We need for you to believe in it too. The days of telling you what to do are over. There are no more supervisors. We are asking for your participation. We want you to figure out better ways for this to work, and we want you and your process teams to make decisions and take actions. We want you to believe us, to test this—to take a risk and try this new thing.”

Minutes pass in silence. Then, like a loose rock tumbling downhill becomes an avalanche, a small murmur breaks into challenges and

questions. A Russian-speaking worker turns to a Portuguese-speaking worker and says, "You've never even said hello to me." And then he teaches him to say "hello" in Russian. Then he teaches the whole room how to say "hello" in Russian—and everyone does. People hoot and howl, and then they all learn to say hello in Spanish, in Portuguese, and in Polish, and they hoot and howl and laugh some more.

Then things get serious. Manuel, clearly one of the informal leaders of the Puerto Rican American contingent, stands up and directly asks one of the organization's senior leaders: "Do you mean to say that I can change how we do this part of the process just because I think it's better?"

"Yes," Mitch says, "we do mean that. If you believe it's better and want to take the risk. But it would be even better if you got your team members involved."

"What happens if it's a mistake?" Manuel asks.

Mitch replies, "Geez, we're already making a lot of mistakes every day. Wouldn't it be good if we made one we all learned something from?"

The room laughs. And then the questions and responses go deep and then deeper into the operational complexity and how to understand how to fix it. There are more questions than answers. Big questions spawn bigger minds, barriers break down, and ceilings lift. People stand and challenge each other and start making sense together: front office and shop-floor people, process engineers and senior strategy team people. Everyone is playing at the same table, and no one is allowed to play the "I've got the power" card. And while some of the buzz is social and some of the challenges raise past conflicts, most of the time it is the din of people telling their truths and trying to see an alternate way of doing things.

A few weeks later, the plant made the bonus list for the first time. It has never missed making it since. For the first time, people in the plant believe senior leadership, and they believe each other a little bit more too. Out of new beliefs came new practices. When something new worked, it remained in practice. Together

the people in this plant, at all levels and under all titles, created the space to show up, stand up, and grow up into bigger minds. We call that space, and the energy needed to keep it going, *Headroom*.

In Chapters Three and Five, we explored an Inside-Out approach and Readiness—two of the three basic frameworks underlying transformation. This chapter enlarges on the third, Headroom. Headroom means supporting growing, bigger minds in yourself and others in order to face and unravel big organizational puzzles. In Headroom, individuals, groups, and the leadership culture systematically and intentionally develop toward an interdependent collective leadership logic.

Let us stand beside you right now and say that we are in it too. We've often put ourselves in the middle of change and transformation during our work with leaders and their organizations. Headroom is about our own learning alongside yours, and it rises out of several years of intense learning alongside our clients, paying attention to what was happening in their organizations.

The concept of Headroom came to us as a discovery in our action development practice. By *action development*, we mean the process of helping clients to implement key organizational strategies while simultaneously transforming their leadership culture. Action development initiatives are broad in scope, ongoing, and focused on big changes in both the operations and the culture simultaneously.

In experimenting with and crafting the Headroom process, we've combined theories and methods from many sources, applying them in rapid prototypes, learning what combinations worked best. We acknowledge our main sources and mentors in Appendix B. Our own contribution has been to apply combinations of interventions toward changing leadership culture over the long run.

The Basic Concept

In March 2007, the *Atlanta Constitution* relayed an Associated Press report of an e-mail sent by Chrysler Group chief executive

Tom LaSorda to Chrysler employees in an effort to “rally the troops.” According to the paper, LaSorda told employees “that the company’s ‘future is in our hands’ and urged them to redouble their efforts to improve the automaker’s fortunes. ‘We need to rededicate ourselves to taking waste out of our business while providing great vehicles and an ownership experience that will attract customers and keep them coming back’” (“Chrysler Chief,” p. G2). About two weeks later, according to the *New York Times*, the head of Chrysler’s parent company Daimler confirmed that talks were well underway to sell it off (Landler, 2007).

Obviously the earlier e-mail from the CEO directly to employees had not reflected what things really looked like from the executive suite. We mention this disheartening example in order to say that in our work, we see many more examples of ineffective change leadership than we do the effective sort; many ineffective efforts involve similar vague electronic urgings to get involved. Senior-leader events featuring inspirational speeches and two days of golf often amount to much the same empty gesture, as if a social atmosphere with Outside-In change messages were going to foster organizational change.

Organizational development specialists have said, and senior leaders have known, for years that you have to be involved in change for it to be successful. But what does that mean? Does an annual retreat assembling the top leaders count? What about speeches in large forums followed by Q&A sessions and celebrative kickoff events? No. There is nothing wrong with those forums for sharing information, clarifying new direction, and celebrating. But significantly more is needed to create change, and we call that “more” Headroom.

Principles of Headroom

In our work with leaders, leadership teams, and the organizations they seek to transform, we keep three principles of Headroom at the front of our minds:

- It is a systemic approach to development that occurs while achieving the business's strategic challenges.
- It contains and enables forces that fuel and energize transformation of the organization's unified leadership culture.
- It accumulates across multiple spaces and forces that connect and gain momentum in the organization.

We also try to hold a particular image in our minds to remind us of the basic problem that Headroom aims to solve (see Photo 6.1).

As we said briefly in Chapter One, creating Headroom means raising the leadership culture's ceiling for development. Headroom assists everyone in advancing together and getting the bigger minds required by the organization's challenges. Creating it is a social process. A shared Inside-Out experience is an interpretive process that requires dialogue among people, and Headroom is a particular form of engagement.

Photo 6.1 The Basic Problem That Headroom Tries to Solve



Source: © iStock Photo 2007 Viorika Prikhodko, from istockphoto.com.

Headroom means making time and places for exploring the future and figuring out the leadership beliefs and practices needed to get there. It's also about having genuine and creative multilateral connections with others about the work that transformation really requires and specifying and committing to whatever new agreements are required to change the way things are.

Creating Headroom means raising ceilings of expectations and hopes, thus creating an upward draft of energy, just as a rising plane creates an updraft beneath it. That updraft invites other people to stand up and use more of themselves to build new beliefs in the possibilities and potential in their work. Creating Headroom is an act in which you literally stand up for and grow up into change. Headroom creates a space in which your mind expands as you imagine, explore, and create a different future. It creates room for others to stand up to and provides different states of experience for all involved.

Headroom alters the forces of social reality in the leadership culture. It gives space for internal and group dialogue, authentic public engagement, and collective learning.

Methods and Tools

There are some reinforcing mechanisms for Headroom: speeches, videos, and e-mail communications can all contribute to that collective engagement. But they are not the basic methods. They are ancillary. There is nothing scripted or canned about the process of creating Headroom. Recall how Liam at NuSystems wanted his remarks at his change forum scripted? Headroom won't come about like that. Scripts and speeches, no matter how charismatic, are one-way and Outside-In. Headroom is socially multidirectional and Inside-Out.

Effective Headroom methods and tools trigger and accelerate development. One of our basic methods is to help leaders access their preverbal level of images, triggering creative resonance. The concept behind our approach is based on the

concept of aesthetic competencies for creative leadership described in *The Leader's Edge* (Palus and Horth, 2002). Palus and Horth use visual images, metaphors, and other devices for reaching Inside-Out states of advanced awareness. For example, putting something in the middle of a circle of people to ponder (a symbolic image or object) can center their focus and their reflections around a core question on an organizational issue or opportunity.

Such methods and tools help to create states of openness within people by tapping deeply into the human spirit and imagination. Another core methodology we use is dialogue: the verbal meaning-making part of Headroom that follows the preverbal loosening of normal boundaries of thought. We often refer to dialogue as collaborative inquiry (co-inquiry) because we focus more on asking questions than on advocating a direction.

We have a suite of action-development-focused quick tools that are portable and pragmatic, and they all reflect group self-perceptions providing immediate access to leadership logics from a variety of viewpoints such as team, functions, subcultures, and alliance partners. We also have a suite of scored tools that provide validated measures of various aspects of culture and climate. Both types of tools help clients align feasible strategies with ways to develop capabilities that the strategies require.

Voice of Change

Creating Headroom can be a one-time event, but that won't take you very far. The key to its successful use is to commit to practicing it. You want to move from being consciously incompetent to unconsciously competent—as you might be when shooting a basketball or using a word processor. When you first try out Headroom, you may need to experiment with it for several days. With practice, you can cut that time to several hours. After extended practice time, you can get it going in just minutes.

We also make use of Bill Torbert and Associates' *Action Inquiry* tools (2004) to provide organizations with several transformational learning pathways. The methods, tools, and mechanics of creating Headroom are fairly easy to learn. (See Appendix B for a sample list.) Most of our clients find freedom in their use—the process is energizing. But there are also personal risks and rewards. It is very important to commit to and sustain the practice in order to realize the rewards.

What Headroom Can Do

We had a small argument with our editor as we were writing this part of the book. He insisted we use the word *Headroom* only as a noun and not as the name of a process. He said that words denoting process usually have verbs as their roots. But in our practice, we do refer to Headroom as a process and practically as a verb itself, and we persuaded our editor to loosen up a bit and go along. The Headroom process is like a fractal's self-replication. Just as awaken, unlearn and discern, and advance (see Chapter Three) operate at the individual level of transformation, the three parts of Headroom operate at the collective level. Each experience expands the state of being for everyone included. The three parts of Headroom are Inside-Out discovery, action development of new beliefs and practices, and advancement of leadership logics and culture. Once you begin to explore its power to change things, you too may find yourself saying to someone, "Let's Headroom!"

The three steps of personal transformation presented in Chapter Three—awaken, unlearn and discern, and advance—are paralleled when applied to groups as Headroom. Although there are many differences between the transformation of an individual and that of a group or culture, the core principles with the three steps are the same.

Inside-Out Discovery

In the space and time of Headroom, people come together to engage in the development process, making sense of the transformation and becoming intentional about what it requires. They become skilled in the use of tools that expand their Inside-Out range of cognitive and emotive conscious awareness to meet the organizational realities of the challenges they face. Headroom encourages authentic, transparent, personal willingness to engage in truth telling and public learning; it allows people to say the truth as they see it, exposing what before couldn't be discussed and so covertly threatened change.

Core outcomes include both individual and collective unlearning and new learning. People coldly analyze assumptions about the way things are and warmly imagine what could be with renewed energy and advanced perspective. They engage through deep discovery and exploration down to levels where dialogue promotes more questions than answers. They dive deep into imagination and problem solving, exploring root causes and revealing future options and resources. This takes place simultaneously for each person and the group.

Action Development of New Beliefs and Practices

Because Headroom is an alteration of the forces of social discourse and social agreements, it allows new, multilateral connections between people across divisions and levels, as well as new unions of leadership culture beliefs and practices. This process of social discourse and agreements is like creating a new national constitution and then engaging in making sense of how to live up to the new agreement in moving forward.

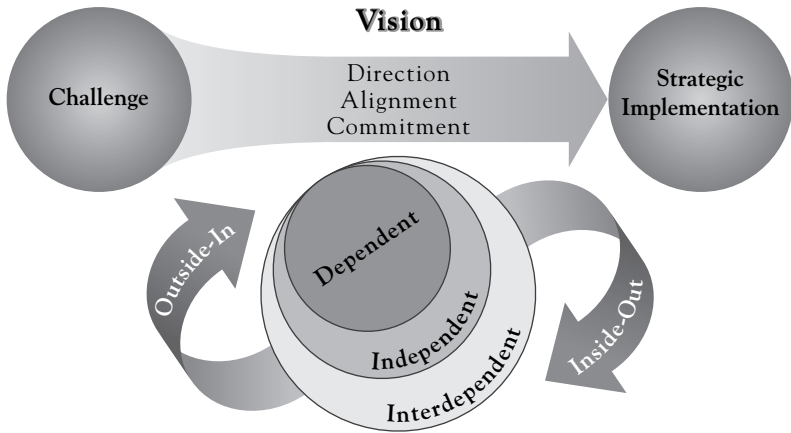
This enables individuals and groups within the leadership culture to take on new perspectives, question current beliefs, and develop new ways of working in operations. Headroom

can be used for forums on sense making and for renegotiating the social rules of engagement. People figure out together how to put a new idea to work. The process is exhilarating, confusing, confounding, and liberating as they “unlearn and churn” and “relearn and discern.” The agreements and experiments are voluntary forms of risk taking, which can be entered by people from the top, middle, and bottom. When repeated, experiments that work become ritualized, and the new rituals embed themselves in the leadership culture as beliefs and practices. As Headroom experiences are used more frequently, they become zones of intentional change where leaders can practice action development and where isolated, subjective notions can turn into objective, shared alternatives.

Advancement of Leadership Logics and Culture

In discussing movement to a new leadership logic in Chapter Three, we described a necessary progress from short-lasting states and long-lasting stages. Headroom is a state that allows people to hold and incubate individual inspirations and organizational aspirations. In that sense, Headroom itself is transformative. It creates and strengthens experiences of thought and mode of engagement during intentional group states that the next stage will require. It grows organizational soul. It encapsulates the experience with and advancement of leader and leadership logics, both during “time-out for learning” practice sessions and also when applied through action development initiatives directly in the operational work. In the freedom of Headroom, leaders can do serious play, engaging each other in new ways, taking on new leader and leadership logics, and experimenting with bigger minds.

A leader has to create Headroom in which people can learn, grow, and develop their capabilities. Initially, developing in this way requires that people take time out for learning together in a safe, separate space that is independent from the usual grind of operations.

Figure 6.1 Headroom: Growing Bigger Minds

Thus, Headroom moves individuals and advances the collective toward later stages in the leadership culture. In fact, if sustained, Headroom is the major process that advances the collective leadership logic, culture, and new organizational capability. When a leadership culture creates and uses Headroom, its learning and its collective mind expand toward a more complex logic. Figure 6.1 revisits the overall view.

Courage, Commitment, and . . . What Else It Takes

As a leader creating Headroom space, you'll face some of the same challenges we discussed in Chapter Three when we described the Inside-Out versus the Outside-In approach to leading and managing change. You'll need to drop your guard, build trust, and dig deep into beliefs and assumptions.

As a process of constantly, relentlessly, unnervingly seeking alignment in the leadership culture, creating Headroom takes courage and commitment. It takes guts to believe deeply in a new vision or strategy and to stick with it. You will have to stand up and be seen, actively challenge the status quo, and stand up to peers who will undermine change if you do not bring them along.

Voice of Change

In the summer of 1776, at the Continental Congress in Philadelphia, men committed to a new course of action. They did so aspiring to a higher leadership logic—from the lowest level of Dependent-Conformer up to an independent logic. Their Declaration of Independence documented this collective commitment, and its words must have gripped those who deeply pledged its adoption. It is not far-fetched to imagine that those men at that time were experimenting with some form of Headroom for a nascent nation. They were certainly shifting their beliefs, based on a new vision and direction, about what the new direction and new practices would require of them and the new capability they would have to develop in order to realize that strategic vision. Imagine the depth of commitment such an endeavor required.

A change guide's commitment to Headroom implies an undistracted focus on change and determination to follow through. Involvement is comparatively easy. You can be involved through showing up at occasional events or writing e-mails. Commitment doesn't stop and start. It is more like an obsession, and it gets under your skin so that you never quite get completely away from it. Change is right here and right now, applying the new. Involvement may contain some measure of association or participation that largely remains at the surface of things, but commitment is gripping and engrossing. One becomes immersed in the heart of the matter.

Headroom as Process

Headroom is a No-BS zone where people tell the truth and believe each other because people are genuine and authentic when they are there. It is a space and time in which the rank and status of individuals are secondary and the future of the organization is primary. The essence of Headroom is social, although it requires specific space and time in initial phases to take root and to practice. People explore multiple right answers together and choose the best ones and agree to try them out in action development.

People change the rules. They make new agreements and go off and change the way things are. Headroom is a process that alters not only experience in your society but also outcomes in your operations.

Headroom experiences are reinforced by repetition. Repeating the process allows you to practice new beliefs and new practices together and alter them until they fit.

Headroom isn't the beginning and the end of culture transformation. There are conditions that must be present in order to create it, such as the three elements of personal readiness we described in Chapter Four (intentionality, control source, and time sense) and the willingness to take on the investment, risk, and vulnerability. You need to have the right mix of people and the right timing with regard to the organization's ability to face its future. But creating Headroom can be the key to the kind of engagement and commitment required to make real change.

"Upping" Headroom

It's not hard to experiment with Headroom. The leaders, teams, and organizations we have worked with have found it a practical way to discover and transform. You can sum up our admittedly elaborate explanation of the Headroom process with this simple phrase: *Show Up, Stand Up, Own Up, and Grow Up*.

Show Up. Engage directly with others in the change effort. Be genuine and authentic. Think about how much of your time you spend in leading the change using face-to-face encounters with others. Look to generate more questions than you have answers to give. When you become the model of how it can be, and in fact how it is right now, you become the change before their very eyes. Seeing is believing, and a change in beliefs is what you are after.

Stand Up. Stand up first and be seen. Go into the public forum, along with others, to say how serious you are about the change. Describe what you personally and professionally are willing to risk.

You have to stand up to the status quo and challenge it actively. Stand up to peers who may undermine Headroom. Stand up to and with the leadership community specifically about creating new space for people to learn, grow, and develop together. Stand up about the ambiguity that significant change stirs up, and for the time it takes to make real change.

Own Up. Say in public you don't know all the answers; then ask for others' help to figure things out and follow through. Stand physically and emotionally in front of and genuinely with others, and be clear about what is certain and what is not. Acknowledge your place in the culture. Owning up to these things will create the trust your people need to explore a common future together. When you own up to others, the majority will engage and own up too.

Owning up requires a willingness to expose one's genuine uncertainties, and so it can't be scripted. Scripting is a way of avoiding accidentally saying what you didn't mean to say, and if you're deliberately not saying things that some part of you urges you to say, you're not really owning up at all. A cautious instinct for careful planning is the opposite of what is required in creating Headroom. If you, as a senior leader, aren't willing to show up fully and genuinely, with your own personal questions and

Voice of Change

You cannot delegate culture change. The culture is not "out there" somewhere; it is in you—in your gut, your heart, and your mind. You can no more have someone else change the culture for you than you can have someone else change your mind. It is that fundamental. If you want others to commit, then you commit first. If you want others to adapt and change, then take the lead. It's yours, and you have to deal with it first. It is difficult to quantify the enormous level of trust and credibility you will generate. That is why you need the space and time of Headroom.

uncertainty about the future, then how do you expect others (who need to trust you) to deal with their uncertainty?

Grow Up. Big questions spawn bigger minds. To create Headroom, you must be certain and confident about the direction your organization must take, but you will be continuously uncertain about exactly how to get there. That is why you need the energy of everyone involved in figuring it out as you go. This is the kernel of collective learning and a key to a learning organization.

Reflect for a moment on the change challenge you're facing. How much do you really believe, deep down in yourself, that the change required in the organization is really only all about others? Are you frustrated that your change management programs aren't working very well even after they've been well planned and staffed, led by expert consultant teams, and after you've written all those great memos, and invested in leadership retreats that set the new vision of organizational imperatives?

Does management success in your organization require a lot of answers? Are you supposed to be the expert with all the answers? Will you be making yourself personally vulnerable and risking your position if you publicly profess that you do not have all the answers? How much, in short, do you believe in this change—and how feasible is it?

How Headroom Gets Going

With the right conditions, Headroom emerges naturally. We've seen it many times in our experience, but never in quite the same way twice. We believe this is so because of Headroom's expressly developmental nature. It doesn't start by setting "stretch goals" or "raising the bar." It does, however, almost always stem from someone's engaging himself and others in a process of changing, in real time, live and face-to-face. And there are other general patterns.

New Social Discourse—New Social Contracts

Sometimes Headroom starts in the middle of an organization and then gets higher executives' attention. More often, it appears during planned events among executives and senior leaders as they struggle with vision and strategic imperatives—sometimes about organizational survival. Then, when the heat in the system urges executives to really take it on, they form and practice Headroom in action during their shared operations work as they focus on newly created leadership practices—practical matters that must get done in operations.

In such cases, executives have already made what they believe are imperative changes in systems and structure, but the changes aren't yet working right. Headroom arises as senior leaders engage to learn collectively about why changes aren't working. The leaders call on each other to face up and engage. Those actions require a new social contract and agreement to create new beliefs and to try new practices. Leaders and groups employ Headroom-creating tools; action development occurs between events; and prototypes spawn new behavior, beliefs, and culture. Leaders at the top develop clarity about direction, culture, and operations requirements to face up to future challenges. There's a movement in methods from safe, to not so safe, to risk and vulnerability, and from learn and practice to new social contracts for change.

When they're ready, senior leadership expands direction setting to the middle of operations and seeks alignment in core systems and processes. The top levels of the organization serve as architects for the whole organization, inviting, demonstrating, and expecting. Mechanisms emerge for reinforcing change, such as culture leadership teams, measures, scorecards, and stories and powerful artifacts of change. Headroom becomes practiced, viral, self-perpetuating, evolutionary, and revolutionary throughout the organization.

Fundamental social principles and dynamics of social contracting and social discourse are at work today in your organization.

All you have to do as leader is harness them. What's the greatest team you ever played on? Do you want to re-create that experience in your organization's culture? When social contracting sets the parameters for change and social discourse is the process for change, then people will respond well to measurement practices that invite them to face the challenges alongside you.

Headroom in Action

Following are a few observations of Headroom in action. Wherever it starts, it must eventually penetrate the entire leadership culture:

- *Resistance evaporates because change is a pull, not a push.* As people say their truth about how they see things, exposing what before couldn't be discussed, the underground resentments are transferred to above-ground declarations and new directions. Negative energy that covertly threatened change is transformed into positive energy that fosters change.
- *People engage through multilateral connections, and anyone can engage with everyone, across all levels and for the mutual benefit of all.* The intern can engage with the president. Headroom structures the potential for participative social agreements that intentionally shift the beliefs and norms of the leadership culture toward interdependence. Its intent is to be fully egalitarian and fully connected in intentionality for the benefit of all—individuals as well as the organizational whole. Self-aggrandizement yields to collective discovery.
- *People enter and reenter a third space of collective learning.* Formerly they occupied two spaces unconsciously: one “mine,” the other “yours.” The third space, Headroom, is a more conscious, anticipated, ritualistic space set aside for our creative ventures. As people's intentionality grows, Headroom becomes

a space for taking time out for collective learning. People learn to slow down in order to speed up and power up as Headroom alters and advances time sense.

- *Headroom gradually becomes more and more systemic and developmental.* Whatever development occurs in Headroom is injected into at least some part of the organizational system. The more strategic it is, the more effective it is. Events are vehicles to moving into Headroom; they aren't the territory of Headroom. In Headroom, when a mistake or an organizational fault line is uncovered and owned by the collective, the learning event moves people into action development initiatives. The group makes a contract to alter the way things will be done, and operations change.
- *Headroom is the catalyzing source of a united force for change through the leadership culture.* It triggers and fosters achievement of direction, alignment, and commitment (DAC) in the culture. Effective DAC outcomes expand and extend the ranks of the leadership culture. Headroom's power far exceeds that of issue-based problem-solving behaviors, motivational speakers, empowerment, and any number of single-focus interventions.
- *Headroom extends the leadership culture through invitation and celebration.* Although it is noncoercive, open human interaction, the process creates a draft of peer pressure that moves some people along for a while in passive compliance. Clients have called this the "fake it 'til you make it" quality of Headroom. This functions to convert negative energy forces to neutral ones.

Playing over Your Head

What forms initially out of Headroom is a small, critical mass of leaders networking on their shared new beliefs and behaviors. How many are needed for that critical mass? What about others who don't believe in the change?

We can't put a number on critical mass, but to reach it, you need to strategically select and recruit leaders for early inclusion

who have the most influence in the organization and then enable those leaders to get others to “play over their heads.” Most people want to succeed. The more they see risk rewarded with success, the more they want to join in with a winning team. To create that playing field of success, senior leaders must work out the social aspects of Headroom.

A kind of social contracting, or recontracting, occurs. When senior leaders show up and stand up in an organizational operation that has been slogging along (from an entire manufacturing plant to a single department), their actions rekindle hope in the rank and file. People stir toward commitment because they want to believe. They seek a core of people to engage with who are embedded in common purpose and values. Their thoughts and feelings are often experienced as a breakthrough, and you may hear some say, “Thank goodness! Finally something is going to happen that can make a difference.”

From that contracting, leaders can strike new agreements. They do not have to be formal; they can be verbal or written, a document that everyone signs and shares, or a dialogue in which all say “aye” to some consensus. However cast, the agreement publicly declares an intent to change something together. As a loose social contract, it shares permission to try new ways of working; it can also recognize limits to risks that people need to take and can guarantee zones of safety. Risks aren’t eliminated, however, and there must be honor within the boundaries set by agreement.

Surrounding an agreement itself—the basic shared understanding—is a social discourse that reinforces and tests any practical boundary the agreement implies. For example, the U.S. Constitution was developed as a shared social contract. First came the drafting of agreements for a new country. Following came the testing of those new national boundaries of principle and law. Through an ongoing process of testing and reinforcing those boundaries through the courts, town meetings, and all manner of public forums, Americans continuously interpret and reinterpret their social agreement. The social contract provides

the structures and rules; social discourse leads to understanding how they work.

Headroom, Learning, and the Elusive Learning Organization

Does success in your organization require a lot of right answers? Are you supposed to have them all? If so, you're a million miles from being a learning organization. Our experience is that big change challenges require shared, collective learning. Facing new and significant challenges simply means that you don't know, exactly or certainly, how to get this big-bad-challenge thing done. Not knowing in a public way is usually uncomfortable for executives. You didn't get to your position by not knowing the answers. And you're probably a high achiever who has relied on expert knowledge to get you where you are. In 1991, Chris Argyris wrote an article titled "Teaching Smart People to Learn." In this piece, and in his work more broadly, he says that successful individuals don't know how to deal with failure, its consequent embarrassment, and the defensiveness that follows—all of which prevent senior leaders from learning from mistakes. He writes, "Because many professionals are almost always successful at what they do, they rarely experience failure. And because they have rarely failed, they have never learned how to learn from failure" (p. 2).

It is easy to agree with Argyris's insights, yet more than two decades after the advent of the learning organization era, many senior leaders experience significant ongoing failure with organizational learning and change initiatives. Still, we find that more senior leaders today than ever before are willing to experiment with culture transformation, including dealing with their own vulnerability in the learning process.

After all that has been made of organizational learning in the past several years, we believe that Headroom is a practical approach to achieving it. We call it collective learning—that's

what we see happen in Headroom. Not only have we experienced it firsthand with clients, we have also conducted evaluation studies that demonstrate those clients are achieving a core capability in collective learning. With Headroom, learning becomes collective. It happens when enough leaders in an organization can manage their collective control sources, time sense, and intentionality to allow themselves to come together. Such learning itself is risky, especially if you're in a Specialist culture not known for rewarding mistakes. But learning advantages come from mistakes—*new* mistakes. Learning publicly with others, taking risks, and making yourself socially vulnerable during the learning process are the way through significant cultural change.

We believe that Headroom is a practical approach to creating a learning organization. It isn't always the entire process of advancing from one stage or logic to the next, but it's an essential component. When Headroom is sustained, it supports the advancement of Inside-Out capability, appropriate control, and good time sense—the three main aspects of transformation readiness we discussed in Chapter Four. In the presence of Headroom, collective learning takes place openly, honestly, courageously, and collaboratively. The process acknowledges that taking risks and making mistakes are essential to public learning. Learning from them keeps the momentum for organizational change moving in a positive direction.

Headroom at Technology Inc.

We used a story from our work with Technology Inc. to open this chapter because it illustrates the power of Headroom. Technology Inc. has a sophisticated, performance-based shared compensation system, but because of relatively low productivity, one of its plants had never shared in the wealth—until Bart and members of the senior team showed up at the plant and demonstrated their willingness and ability to engage in processes of change, including the process of Headroom. They believably

demonstrated raising the ceiling and in doing so drafted the engagement of people in the plant. The key idea became, “I am a member of my process team, and my team can solve problems and take action.” It wasn’t so much the maxim itself that mattered as that it summed up something that the people in that plant could believe in and use to open out to bigger minds.

A couple of weeks after that demonstration, Bart called us. “It’s a miracle,” he said. The plant had earned its way into the compensation plan for the first time in its history. We don’t think it’s a miracle. We think it’s Headroom at work.

Risk and Resolve

Not all transformation efforts work. There is risk in Headroom. You will need to face the question of how much change you, your team, and your organization can tolerate. Discerning how far you should take your change initiative may be the most important skill of all. Unrealistic goals are divisive, and failing to reach them creates cynicism. Aim toward feasible strategic goals combined with Headroom, and you will exponentially increase your chances for successful and sustainable change.

In their play *Inherit the Wind* (2007), authors Lawrence and Lee recount the 1920s “Scopes Monkey Trial” in Tennessee. The case was about teaching evolution in public schools, and somewhat ironically was offered as an allegory for transformation. In the following scene, Drummond, the defense attorney, and Cates, the young teacher standing trial, are left to speak in the courtroom after the jury has returned a verdict in favor of the prosecution:

Drummond: You won.

Cates: But the jury found me—

Drummond: What jury? Twelve men? Millions of people will say you won. They’ll read in their papers tonight that you smashed a bad law. You made it a joke!

Cates: Yeah, but what’s going to happen now? I haven’t got a job. I’ll bet they won’t even let me back in the boarding house.

Drummond: Sure, it's going to be tough. It's not going to be any church social for a while. But you'll live. And while they're making you sweat, remember—you've helped the next fella.

Cates: What do you mean?

Drummond: You don't suppose this kind of thing is ever finished, do you? Tomorrow it'll be something else—and another fella will have to stand up. And you've helped give him the guts to do it!

Inherit the Wind takes its title from Proverbs 11:29: "He that troubleth his own house shall inherit the wind." It's not inaccurate to say that creating Headroom for organizational and cultural transformation will trouble your organizational house. Risk is inherent, and the work is not for the faint-of-heart.

Exercises

Questions

- Where is a third space that you can secure for your team to experiment with Headroom?
- What can you do to get your team to exceed its current restrictions in control source and time sense in order to play with Headroom?

Scale, Journal, and Dialogue

Respond to each question that follows using the rating scale provided. Then write a reflection in your journal, and outline the role you are willing to play in creating or improving the conditions for expanded and extended Headroom in your organization.

To what extent do senior leaders intentionally engage others in the team in public learning that is developmental for the leadership team culture?

1	2	3	4	5	6	7	8	9
Little			Somewhat			Substantially		

To what extent are there face-to-face encounters in open social discourse between senior leadership team members and other leaders that focus on change through a process of developing bigger minds?

1	2	3	4	5	6	7	8	9
Little			Somewhat			Substantially		

To what extent have you and your colleagues engaged in questioning and reflecting on values, beliefs, and assumptions about management and leadership in the context of change?

1	2	3	4	5	6	7	8	9
Little			Somewhat			Substantially		

To what extent are senior leaders openly engaging with each other and the larger community of workers in the organization around cultural beliefs and practices and how these affect the changeability of the organization?

1	2	3	4	5	6	7	8	9
Little			Somewhat			Substantially		

Get together with your team or another group of colleagues, and facilitate a dialogue around the concept of Headroom and the implications for change in terms of leader behavior, group and team behavior, and the creation of a bigger mind and an emergent leadership culture that more effectively connects leadership practices with the business strategy.
