9

REACHING INTO THE CULTURE

> Man's mind stretched to a new idea never goes back to its original dimensions.
>
> —*Oliver Wendell Holmes Jr.*

In Chapter Two, we explained why culture matters. We hold that culture is often viewed in either of two ways. One, a deterministic view, says culture is the collection of social beliefs that determine behavior, limit learning, and channel choice. This view prevents learning in the collective and locates the power mostly at the top. This understanding, which is held closely in conformance-based cultures, limits an organization to a steep command-and-control hierarchy that creates dependency on the leaders by the followers. As we've pointed out, a Dependent-Conformer subculture may be useful in select environments like security systems or accounting departments, but it no longer works in many organizations. We bet this is the kind of culture you wish to transform.

A second view of culture defines it as emerging social beliefs that expand behaviors and learning, extending choices by creating new tools and meaning (Bohannon, 1995). That view sees culture as adaptive and generative in dynamic, competitive environments—the environments that are now challenging most organizations. We are betting this is the kind of culture you want to attain. Such a culture can be developed and practiced through what we called DAC—a view of leadership focused on the outcomes of direction, alignment, and commitment.

Chapter Eight used the culture development cycle as a way to place your insights from Part One of this book into a broader context of organizational activities. In this chapter, we continue to broaden our discussion as we move from changing senior leadership teams themselves to transforming the organization's leadership culture. We continue to focus on leadership in terms of DAC and emphasize that as the leadership logic advances, more nonmanagement people are invited to be part of the leadership culture.

We begin with the question of how to determine if, in addition to your senior team, your leadership culture as a whole is ready for transformation to the next level. Are your people ready to be invited into wide leadership participation in order to achieve a more collective style?

Achieving DAC through participative leadership requires a new and different kind of development. Transformation in intricate and convoluted environments requires a bigger-mind understanding of how leadership culture improves bottom-line results—every CEO's goal. An organization surrounded with rapid-fire change needs a culture with exponential powers to respond—and this is what a collaborator culture with interdependent beliefs and practices looks like. A collective leadership mind must be found and stretched in order to confront big, serious change because a leader-follower-goal mind is insufficient and often hopelessly slow to respond to complexity. A leadership culture that effectively invites wide participation and then targets and develops new organization-wide capabilities that are core to its future is a viable way to face contemporary business challenges.

Readiness in the Organization

Many organization change efforts fail because they are simply unrealistic. Just as the senior leader team can't jump directly from conforming to collaborating and just as parents can't

expect their children to master calculus right after learning a bit of algebra, an executive can't expect an entire organization to skip development steps or change dramatically until the culture of the organization has developed to the point where it can change. Judging its readiness involves doing many of the same things you might do in a study of feasibility for, say, a new information technology system—but in this case, the system is made up of people. In order to advance a leadership culture, it is in your best interest to be able to realistically assess your organization's requirements for new core capabilities.

Determining the levels of readiness for change in individuals, teams, and organizations requires these key steps:

1. *Discovery*. Establish a baseline of data, root cause, and readiness analysis, and create dialogue about what your discoveries mean.
2. *Diagnosis*. Determine the leadership logic your organization needs, and establish a leadership strategy to develop it.
3. *Design*. Frame the first steps in a transformation journey, and prepare to redesign repeatedly as you learn more and more with your colleagues.

Recall our definition of a leadership strategy: that it can be seen in the organization's choices, whether they are conscious or not, about the leadership culture and its beliefs and practices, and in the kind of people systems it chooses to manage the development of leadership. It is also the strategic intent for your future leadership culture and systems. This is much more than just a training and development system for leaders.

We mentioned earlier that Global Electronics repeatedly had declared a business strategy to double its revenue in two years, but it never achieved the goal. The problem was that it was a Conformer culture whose leaders were ignorant of how vast the gap was between that culture and the Collaborator culture that

its strategy required. Technology Inc. leaders, in contrast, had analyzed their organization's readiness for change in six-month increments for several years. That awareness allowed them to move steadily from a Conformer to an Achiever culture, building readiness for further movement toward a Collaborator culture.

In these two examples, the difference between sustainable success and abject failure to meet strategic goals is the ability to balance and integrate change feasibility and leadership readiness. But that begs the question: What *is* feasible in the context of this specific change for this particular organization in this unique circumstance?

When you climb a set of stairs, you take them one at a time to keep from stumbling. Metaphorically we're suggesting the same thing here. In order to get clearer about what next step is feasible in your organization, let's look at the "co" words we are using so that we are all speaking the same language: the language of CQ.

Your Organization's CQ

We use the term CQ to refer to a culture quotient measurement somewhat analogous to IQ. The "C" specifically refers to three important "co" words of cultures: *coordinate*, *cooperate*, and *collaborate*. Too often leaders use these words interchangeably, as if they all mean the same thing. But we give them distinct uses because the amount of cowork they describe is different for each. These three words correspond to what generally happens in the three levels of leadership logic and culture:

- *Dependent*. Conformer cultures operate successfully when a hierarchy of leaders meticulously *coordinates* the work of the level beneath each leader.
- *Independent*. Achievement cultures succeed because groups within the organization often *cooperate* for mutual benefit.

- *Interdependent*. Collaborator cultures succeed because the people in them *collaborate* for the common good.

Coordinate, *cooperate*, and *collaborate* describe how people work together. They embody distinct, increasing levels of freedom and responsibility for everyone in the organization. They also are clear indicators of how able an organization is at any one point to pull off major change. The level at which people work together must be aligned with the culture's ability to execute that strategy.

Within each level are three factors that distinguish the differences among them: knowledge access, how decision making is distributed, and proximity to the work:

1. In coordination, corporate knowledge is held at the top, but decisions are centralized and removed in proximity from actual work sites. Work across boundaries is therefore slow to change.
2. In cooperation, corporate knowledge is sometimes distributed based on competitive needs, and decisions are decentralized and in proximity to work sites but not coordinated across work sites. Work is therefore changeable only when parts cooperate across those boundaries with other parts for mutual benefit.
3. In collaboration, knowledge and decision making are widely distributed, and the full work process and local sites are all mutually understood by all. Work is always changing and improving in an organic process that everyone in the organization owns.

Theoretically, there could be five levels of CQ, as shown in Table 9.1. We use the extremes at the high and low end as bookends to frame the three cultures we discuss. This is not to say that your entire organization will embody one culture or stand

Table 9.1 Levels of CQ

Level	*"Co" Word*	*Typical Culture*	*Essence*	*Occurrence*
Highest	Converge	Collective-Consciousness	Joint universal awareness of how all systems work together	Visionary communities, and therefore very rare
	Collaborate	Interdependent-Collaborator	Joining forces and resources in working partnerships	Small, emergent growth in breakout organizations
Middle	Cooperate	Independent-Achiever	Alignment of the work of parts of the organization	Growing base of postmodern alternative organizations
	Coordinate	Dependent-Conformer	Management and direction of the flow of work from the top	Major base of postindustrial and older institutions
Lowest	Co-opt	Despotic	Mechanistic control and manipulation of people	Uncommon in most organizations

at a specific CQ level. Part of assessing your current strengths and readiness will be noticing variations within your organization as a whole and considering how you can leverage pockets of higher CQ to bring up the CQ in other groups.

We offer the high and low ends of the spectrum as convergence versus co-optation in order to frame the extremes. Our purpose is to illustrate how human potential accelerates as you move beyond the restrictions of mere coordination in a dependent culture. As you enter into cooperation (see Table 9.1), you move on a pathway toward the high end of independence and innovation and on toward the change-agile power of collaboration in an interdependent culture.

The higher the CQ,

- The less control you retain at the top.
- The more freedom you allow and responsibility you expect.
- The more you distribute authority and decision making.
- The more innovation, problem solving, and quality you get at the local level.
- The more uncertainty you can tolerate.
- The more conflict can emerge as a creative, viable force.
- The higher the level of individual and collective learning.
- The more ambivalence and paradox are accepted.
- The higher the level of feedback you want and get.
- The greater the levels of synergy and teaming.
- The more shared knowledge is engendered.
- The more intersystems thinking is the norm.
- The greater the level of leadership capacity and capability.
- The more you value and get organization-level capability and shared competence.
- The greater adaptability and agility of the organization.
- The greater the level of complexity and challenge the organization can face and take on with greater chances for success.

Examples of CQ's Effect

Let's say that you are facing the grizzly challenge of reengineering your corporation into a process-centered organization that requires collaboration throughout the value chain. This requires joining forces and resources in working partnerships not only within your employee base and culture, but also across the cultures of your supplier partners.

If you have a Dependent-Conformer culture in which the flow of work is coordinated (managed and directed) through a hierarchy controlled from the top, your chances of success in collaborating are exceedingly low because the tripod of leader-follower-goal makes process exceedingly slow. Reengineering requires distributed, local decision making and free access to information—qualities a Conformer culture does not have. This explains why failure rates in corporate reengineering programs, which often start in Dependent cultures, are in the 90 percent range.

Technology Inc. tackled reengineering, starting out as a Conformer culture. However, it mastered this challenge by moving the entire leadership culture to the cooperative Independent-Achiever level. At the same time, it was working toward some leadership practices at the Interdependent-Collaborator level.

In the next section, we apply the CQ framework to each of the three main stages of leadership logic.

Voice of Change

Every executive wants results—clear operational results. Here are a few examples from Technology Inc. Recall the story in which Bart called us and said that, as if a miracle, following the company's Headroom-generating work session, the group at the plant had made variable group compensation for the first time ever.

When we started working with Technology Inc., unforced turnover was in the double digits, but within a few quarters it had dropped so low it could be called zero. Recruitment costs have plummeted because almost all new employees come from internal referrals. Of the many metrics improvements from the shop floor, one stands out: product returns have dropped by 50 percent year over year over year over year—and nobody even used the word *quality*.

Change your leadership culture's beliefs and practices to the right level of CQ for your strategy (by creating Headroom and using action development), and your organization can enjoy similar sustainable outcomes.

Leadership Cultures and the CQ Framework

In the following sections, you will see similarities to our descriptions of the individual leader logics, but notice that we have shifted attention toward the three leadership culture types found at the organizational level.

Dependent-Conformer Logic: A Culture of Coordination

Within the senior leadership team and throughout a hierarchically coordinated structure, command and control is the organizational mind-set in this culture. Authority emanates from the top, and honoring the code of beliefs is preferable to adaptive learning, which can either extend or threaten the status quo. Knowledge, because it is power, is also held at the top. Members succeed insofar as they obey authority because belonging to the order and loyalty to the code are the primary tenets of membership. The unspoken ethic is, "Us first, me second." Recognition of good work and mastery takes place mainly at the level of technical expertise. Mistakes are treated as weakness, and feedback tends to be negative and is not sought after.

Wherever they are in the hierarchy, leaders in such a culture tend to range between authoritarian and paternalistic, expecting organizational success by virtue of compliance and conformance to their wishes. Thinking tends to be either-or (right or wrong), and expertise and technical mastery are honored. Achievement of goals is the way to ensure continued belonging in the culture. These cultures create members who avoid risk and are averse to change. Extreme forms of this culture are secretive and demand loyalty over many other values.

DAC Implications. Direction and alignment of the flow of work, two necessary outcomes of leadership, are achieved by coordination controlled by executive authority at the top and

passing down through the ranks. This coordination restricts local decision making and regulates activities to the execution of tasks prescribed by management. Commitment, as loyalty, is assumed as a matter of membership.

Illustrations. Coordinated Dependent-Conformer cultures are found in all manner of postindustrial environments, including manufacturing, some public utilities, government institutions, policing and security, and many religious institutions. For these types of activity, these cultures can present distinct advantages. Consider regulating and ensuring safety in running trains or air traffic control. Centralized control from the top may provide the best alternative of safety. Reliability in unchanging rote tasks is one advantage. As long as the external environment remains relatively stable, the top-down coordinated culture can continue to produce predictable results.

A disadvantage (as Table 9.1 suggests) is that extreme forms of such cultures can co-opt members into complying and conforming to usual orders when adaptive learning and change are really what is needed. Consider unions, some of which have outlived their usefulness. We would probably be overstating the case if we said, "Show us a union shop and we'll show you a Dependent-Conformer culture," but not by much. The airline industry and public school systems are good examples. We love and value public schools, and yet unions often create barriers to constructive change when the knee-jerk answer to any significant change is a No bolstered by self-interest.

Independent-Achiever Logic: A Cooperative Culture

In an Independent-Achiever organization, authority and control are distributed well down through the ranks of individual managers. The general mind-set is about being successful in a changing world and adapting faster and better than the competition. "Me first and us second" is the unspoken ethic. Successful

individuals master systems that produce results; they are focused first on "me" and then "my team" to achieve results, but can ultimately contribute to the success of the organization. Mastery of work and the recognition of successful outcomes tend to happen at the systems level for leveraging technical expertise. Mistakes may be treated as opportunities to learn within a team, and feedback is valued where it contributes to learning and the ability for individual advancement and success.

Throughout the Independent-Achiever organization, thinking tends to focus on solving problems, mainly by analyzing empirical data, and management by the numbers is likely the primary basis and driver for decisions. Achieving goals is the path to political power. Knowledge is a tool for competitive edge not only in the marketplace but within the organization itself. Individuals or teams share knowledge at the system level when it benefits them to do so. When change looks like an opportunity for advancement, individuals and teams are prepared to take risks. Extreme forms of this culture are highly competitive internally and place individual achievement above many other values. In such organizations, decisions and outcomes may become random; that is, decisions may not create strategic coherence for the organization, leading to such outcomes as disconnected product lines and divisions competing for share in the marketplace. (This, incidentally, describes the fate of Digital Equipment Corporation.)

DAC Implications. In Independent-Achiever environments, leaders can improve alignment through cooperation if executives at the top demonstrate cooperation themselves. Their demonstration leads lower-level individuals and teams to see cooperation as a path to achievement also at the local level. However, when executives are not cooperating, there is significant risk for multiple and competing directions and poor alignment of corporatewide resources. Commitment holds self-interest and the organization in balance through cooperation.

Illustrations. Cooperative Independent-Achiever cultures have distinct advantages. *Faster, better, cheaper* and *execution* are watchwords for these highly competitive industries. They provide beliefs and processes for competitive capability, and more advanced forms lead and create markets through product development. Microsoft and Google, for example, have exponentially extended globalization through PC and networks functionality and provide tools for the information age with wide impact. High-end financial services and many consulting companies are also examples. As external environments shift, they harbor initiative, foster innovation, and provide varying and flexible levels of cooperation as needed. Independent-Achiever cultures can be entrepreneurial and market focused. Their analytical problem solving can move beyond mere science to artistic expressions in leading-edge design.

Interdependent-Collaborator Logic: A Collaborative Culture

The "co" word *collaborate* is exactly what Interdependent-Collaborator logic and culture are about. Such cultures share authority and control throughout the organization in a way that maximizes the strategic competence of the whole. The culture's superordinate focus on learning is about collaborating in a changing world so that the construction of new social and operational orders can emerge through collective work. Individuals succeed by mastering integrating systems whose results fit and aid the overall strategy, producing results now and into the future. Satisfied customers, solid partnership, and organizational capability are all part of the ethic of the culture. Mastery and good work tend to be recognized at an integrated systems level where benefits can be seen to accrue across the whole value chain. Mistakes are embraced as opportunities for individual, team, and organizational learning; positive and negative feedback are valued as essential tools for collective success.

Collaborative cultures see leadership as collective work that benefits the whole in perpetually achieving the organization's outcomes. They locate leaders among people without management titles. Anyone willing and able to think and act in expanding DAC to build the capability of the entire enterprise can qualify. Because leadership is committed to collective, continuous, discovery-oriented learning, strategy and goals continuously emerge in an ongoing organic process.

Collaborative cultures foster dialectical thinking when dealing with complexity. They consider both-and solutions and actively seek out win-win answers. As evidence, they weigh both external hard data and internal soft data, and in equal measure. As they make decisions, they consider integrated organization systems and human systems. They often engage in dialogue to make sense of things. They achieve enterprise goals across the value chain by sharing social, political, and economic power. They share knowledge widely on a right-to-know basis and consider knowledge an organizational asset. These cultures breed informed risk taking. They regard taking risks as ongoing, emergent opportunities to learn, expanding vision and extending strategy. Extreme forms of these cultures may rely too much on consensus building. When information sharing and dialogue become confused with a ritual of consensus, these organizations can get bogged down.

DAC Implications. Collaborative cultures widen their collaboration across the enterprise and throughout the value chain by joining working partnerships. DAC becomes a working, organic whole system. They align work across parts of the organization by connected leaders and by distributing powers that develop collective learning. As their overall strategy unfolds, new knowledge informs its amendment, and they continuously develop systems, structures, and processes for production. Synergy is common, and the enterprise is greater than the sum of its parts.

Illustrations. Do such cultures exist? In both our primary and secondary research, it is difficult to find pure examples of Interdependent-Collaborator cultures, although we have found a few. An informal review conducted in 2001 showed that two-thirds of clients at the Center for Creative Leadership (CCL) aspired to become such a culture. Since then, CCL's case study research has revealed that a number of such aspiring Independent-Achiever organizations have made significant progress toward interdependence. In fact, two of the cases in this book have achieved this transformation: Technology Inc. and Memorial Hospital.

Leadership Culture Beliefs and Practices

In moving from independent to interdependent culture, just knowing which culture type and logic is right for your strategy is not enough. Transformation also requires defining some specific leadership practices as development targets. In Table 9.2, we have integrated DAC and ten leadership practice categories, and have associated their primary orientation as Inside-Out and Outside-In. Primary orientation means that both are inherent but one trumps the other in balance. For example, the distribution of authority and power is an Inside-Out shared belief, but when you have that decision-making power to affect others, it is definitely Outside-In; so all ten practices carry both implications in relative balance.

Following are examples of specific practices that advance leadership cultures into Interdependent-Collaborator capabilities. These examples are drawn from a multiyear, multiclient, ongoing CCL case study project that seeks to find and explain interdependent organizations and their leadership practices (McCauley and others, 2008). We present them here as actual examples of the new practices that are concurrent with new leadership logics. These examples illustrate the leadership practice categories in Table 9.2.

Table 9.2 Leadership Practices Categories That Generate DAC

Practices Categories	*Primary Orientation*
Direction and decisions	
Direction-setting decisions (mission, vision, strategy making)	Inside-Out
Generation and articulation of beliefs and values	
Governance—policies and compliance	
Alignment in operations	
Forming organizational structures	
Initiating work support systems in IT, HR, logistics, and other areas (enterprise systems)	Outside-In
Developing work processes for lateral integration of work flow and production	
Human systems and talent readiness	
Commitment through relationships	
Authority and power distribution, communication of ideas, and information flow	
Social formations: purposes and scope for teams or groups, partnerships, alliances, networks, communities, social responsibility, and others	Inside-Out
Culture, climate, and generation and maintenance of collective spirit	

Direction

Direction Setting. From the case of Technology Inc.: "During the annual planning process at Technology Inc., process engineers gather data from process team associates on their manpower and resource needs. This information is the basis for the plans created by the strategy process team (the senior team). Process engineers also bring plans to process team associates for discussion, and some modification of plans can result from this. At the annual September meeting, the process engineers, all representing their processes, present their operational plans, and a discussion follows in which plans are modified based on areas

Voice of Change

Joy, the finance manager at Memorial Hospital, discusses with her colleagues how a committee's operations have changed since the advent of the culture transformation work:

This committee has transformed! We trade team leadership, different people from different functions share chairman role, different people are in charge—the committee chair shifts. This used to be a pricing committee for product purchases, and it was run by logistics. Now it's about what is the best solution for the patient, not just efficiencies. Price is not the driver anymore, it's the patient now. The patient solution is the driver in how we make decisions. We use all our learning tools in this committee and rely on our relationships. This is one place where we really get a lot of headroom and multiple right answers and then combine them for the best answer. The reasons (criteria) for how we choose vendors have multiple factors for why—and price is only one of them and not the most important.

Our vendors are confused, they don't know how to approach us—how to sell to us now because they can't just compete on price anymore. Can you imagine how much change this is? We've all changed together. All the committees are like this.

of conflict and synergy. Further modifications come from discussion of plans with operational associates" (McCauley and others, 2008).

Beliefs and Values. From the study of a multistate service agency: "Since inception, [client] has been based on explicit values and a 'few simple rules' pertaining to 'the common good corporation.' These values create *both* individual autonomy and responsibility *and* interdependence in tasks and relationships. A single document called the Bill of Rights summarizes this system of beliefs and practices. The Bill of Rights is then used as the reference point for all matters of enculturation (for example,

employee orientation, training) and discernment (for example, conflict resolution, complex decision making). Perhaps the simplest distillation of these values is (per the founder): *People are basically good and trustworthy. The path between here and there is not singular, but multiple. Welcome diversity. There is no single right way.* The intended (and often realized) result of these values is collaboration among multiple strong ('right') and sometimes conflicting perspectives and paths. This type of values-based collaboration is seen as the engine of creativity and emergent strategic directions for the corporation" (McCauley and others, 2008).

Alignment

Organizational Structures. From Technology Inc.: "A process-centered organization is organized around work processes rather than around functions and positions. There are no traditional vice presidents, managers, or supervisors. Rather there are 'process engineers,' whose responsibility is to collaborate with members of the process to improve its overall efficiency and effectiveness, and 'coaches' for individual and team development. The process-centered organization encourages a potentially high degree of interaction both within and across processes. As such interaction grows and continues to develop, and as it is increasingly directed toward an understanding of what work is being done and why, employees can begin to acquire a more comprehensive perspective on the organization overall" (McCauley and others, 2008).

Work Systems. From case work with Credlow, a national auto dealer: "Interdependent mechanisms for lateral integration in work systems allow for direct collaboration across organizational boundaries and for co-construction of new perspectives, knowledge, and identity across boundaries. In creating the specialized proprietary analytical software needed for their business, Credlow has begun using what the information technology (IT)

field calls an agile IT development methodology. This version is called Scrum. Scrum uses collaborative, cross-functional, rapidly moving teams to iteratively and incrementally develop systems and products when requirements are complex and shifting. Scrum encourages interdependence by being radically open to continuous input, formal and informal testing, and revision from anywhere in the organization. Scrum surfaces and engages conflicting needs and perspectives about the software under development by problem solving through rapid iterations (daily and monthly) of prototypes. Scrum thus accommodates continuous transformation in the organization by deliberately revisiting priorities from one iteration to the next" (McCauley and others, 2008).

Developing Work Processes. From the case notes for Memorial Hospital: "Meetings became an integral part of work as the leadership beliefs and thought process shifted to engagement. All management meetings are now focused on action development. Opportunities to interact cross-functionally provide deep learning, and complex issues about cross-boundary processes get addressed and solved. Committees are a time and place to create Headroom and trigger action development. Leadership is understood as a verb (not a noun). Through working issues and doing active learning together (much more than the previous meeting practice of information sharing only) meetings are learning forums and serve to push our learning organization agenda forward" (McGuire, 2008).

Human Systems and Talent Readiness. From work with Technology Inc.: "Interdependent pay and benefits systems were designed to engage a dialectical tension in the organization by using multiple, conflicting criteria for rewarding employees, for example, individual rewards based on own, subsystem *and* total system performance. Peer reviews are integral to the process. People are compensated at the individual, team, and organization level. Annual performance reviews have a merit increase

attached to reward individual performance of the skills and abilities to effectively work in the process-centered organization. A quarterly incentive compensation program based on team performance (products shipped) rewards people for being good team members. And the annual profit-sharing system rewards associates for the overall profitability of the company" (McCauley and others, 2008).

Commitment

Authority and Power. From the case study notes for Memorial Hospital: "The goal of distributed decision making has been surpassed and replaced with the practice of the distribution of ownership for patient-focused care throughout the hospital. The leadership culture committed to this practice is much bigger than the management ranks, and there is maturity of leadership from the middle. Patient-focused challenges are not prioritized—the leadership collective owns it all. There is not one patient issue silo more important than the others, and everyone takes ownership of all of them all the time" (McGuire, 2008).

Social Formations (Teams). From work with Technology Inc.: "The key purpose of this practice through teams is for direct collaboration across organizational boundaries, with minimum coordination orchestrated by higher management. The practice is used as a process for making decisions and solving problems. This collaborative work brings people with diverse perspectives together for mutual influence, co-construction of new perspectives, and self-authorized decision making. The practice of collaboration within and between process teams creates interactions that produce alignment and mutual learning. Within process teams, associates work together to solve problems and make decisions that affect work flow, product quality, product and process innovation, manpower needs, and personnel problems. For example, associates often reconfigure themselves, swapping team

members among different process teams, to meet emergent manufacturing or delivery challenges" (McCauley and others, 2008).

Taking It to the Middle

When clients ask us whether effective change happens at the top or in the middle of the organization, without hesitation we say, "Yes, both." Concertedly seeding transformation at the top of the organization is essential—necessary but not sufficient. The real work to follow is what we call "taking it to the middle," the heart of the culture. This is where Headroom really gets applied and tested. At the middle of any organization lies its heart. You'll find truth there.

By the middle, we mean primarily where the core of operations is: where production of products and services is and where middle management sits, absorbing direction from the top and operational realities from below. Without engagement of change at the middle, transformation is dead on arrival. When the middle is engaged in Headroom and action development of new leadership beliefs and practices, then change happens in the organization. In important and essential ways, change at the top, such as in building the credibility that creates believability, is just practice for taking change to the middle.

Barry Oshry (1992) offers keen insights about how one's location in an organization shapes one's perspective on it. He writes that you need to have organizational readiness when you go to the middle because these "Middles," as Oshry calls them, are in a constant state of being torn between ongoing demands of the top and reaction to the unintended consequences of change from the bottom. But when you are ready and the top is actually engaging with the middle, then partnerships form and the tearing is mitigated because those in the middle are active players in the action development and change practices.

Taking it to the middle is the supreme test of how authentically senior leadership has put its own self through the throes of

transformation. When you take it to the middle, your Inside-Out mettle will be tested. Your time sense and control center will be on display. And your intentionality will get shoved around by people who want to know how serious you are about this new work.

Seeing is believing. Those in the middle want evidence that you've got a stake in the game, and they'll want to see that stake. People in the middle can smell a rat a mile away; they can also spot genuine intention in a heartbeat. If you ask them for more risk and vulnerability, they will want those things in and from you first—in fact, they will demand it.

When the top of the organization takes its own change to the middle and the middle believes it, the organization is on its way. Why does it work? Because to the people who have spent their organizational lives in that middle tearing zone, always being asked to do more and trying to please everyone, when senior people come to them, roll up their sleeves, and say they don't know everything, those actions invite the people in the middle into full-fledged membership in the leadership culture. When senior people start doing and being that change they want the organization to become, the response from the middle is to engage in partnership to make that change happen.

Let us be clear, again. We are not talking about morale-boosting company picnics and T-shirts; nor are we talking about the leadership rally with executive speeches, infotainment, and a golf tournament. Nor do we mean classroom learning. These activities have a place, but they cannot substitute for the real work of Headroom and culture change. Such activities do not help to produce Headroom, and Headroom is the "it" you are taking to the middle. Recall the three process steps to transformation we discussed in Chapter Three in relation to individual senior leaders and in Chapter Six as they relate to the culture. Working out from the middle entails those same steps because they are the steps to Headroom. And we would add this to our Headroom mantra: show up, own up, stand up, grow up—*then take it to the middle together*.

Headroom and Critical Mass

Beyond introducing Headroom to the middle, you will need to ensure and sustain it by example and ongoing practice. As repeated practice reinforces Headroom in an individual or team, so repeated practice leads to self-replicating Headroom in the middle. At all levels, Headroom can become integral to practice.

The dynamics of Headroom contain multiple essential perspectives that make it practical. By practicing and holding multiple perspectives simultaneously, you can inform and develop more realistic and feasible change strategies from multiple vantage points that create more practical leadership beliefs and practices that create and sustain change.

This phenomenon becomes viral, spreading from group to group, where it continues to grow. These self-replicating social clusters can gain energy from the perceived successes of other similar groups around them. Belief is key. When it catches on, it seems to do so by some spirit that moves through people who want to believe, and so do believe.

Ultimately the challenge is to establish momentum in the organization as a whole. When you release a naturally occurring force that favors the collective future good, that force will gain energy. Malcolm Gladwell popularized this general observation in his book *The Tipping Point* (2000), illustrating that phenomenon in public societies. Once a catalyst begins to take effect, a momentum can build that carries whole societies into a new reality. When Headroom has grown large enough to begin to sustain itself, we say it has reached a critical mass.

Effective social discourse and social agreements in the Headroom process provide evidence to organizational people that others among and above them are actually serious about what they are saying. When powerful people are seen to be engaged, taking risks publicly themselves, things start to change in operations. The skeptical find it harder to be skeptics. The cynical find it harder to be cynics. And the optimistic find it easier to engage, take on a risk, and give transformation a try.

Exercises

Questions for Reflection

- What is the predominant stage or type of leadership culture and leadership logic in your organization?
- To build the right level of talent to execute strategy, what stage of leadership culture do you have to have? What is required, not just desired?
- Do you have multiple subcultures across functions or business units, and are they appropriate to the work in those different environments?

Questions for Dialogue

Answer the following questions for your organization as it is at this time. Then take the questions to your senior leadership team, and ask each member to respond to the questions individually. After all have responded, together explore the implications for actions to develop a collectively bigger mind and a later-stage organization culture, which is required to sustain your organization's future.

Organization practices assume a learning mind-set that emphasizes . . .

1	2	3	4	5	6	7	8	9
adaptation to immediate problems			success in a changing world			generative learning in a new world order		

The thinking styles in this organization can be best described as . . .

1	2	3	4	5	6	7	8	9
either-or, black-or-white thinking, according to social convention			problem-solving thinking within a system to achieve goals			both-and thinking: integration of intuition and embracing paradox		

In this organization, information is shared primarily on a . . .

1	2	3	4	5	6	7	8	9
need-to-know basis			want-to-know basis			right-to-know basis		

In this organization, knowledge is . . .

1	2	3	4	5	6	7	8	9
closely held at the top			power for me and us			always evolving		

The environment of the organization is characterized by beliefs that . . .

1	2	3	4	5	6	7	8	9
leadership at the top will direct and protect us for our common good			self-reliance in my own and others' mastery will guarantee a good future			expansion of our shared awareness is ours to participate in together		