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## **An Executive Summary of Deep Change**

By

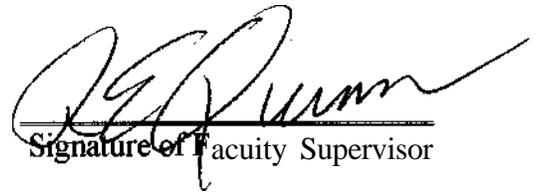
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Professor Robert E. Quinn, Faculty Supervisor.

Faculty Comments

This is first rate. You did a great job of translation and showed that you mastered the book.

Grade - Excellent

  
Signature of Faculty Supervisor

Title

## Deep Change or Slow Death

### Chapter 1: Walking Naked into the Land Of Uncertainty

#### What is deep change?

##### Traditional Change is:

- Incremental
- Rational planning with goals and steps
- Limited scope
- Reversible
- Not disruptive, an extension of past patterns.
- "In control"

##### Deep Change is:

- Break through
- Abandons past knowledge and competence.
- Major scope
- Irreversible
- Often disruptive: new ways of thinking and behavior, discontinuous with the past.
- "Taking risks, surrendering control."

#### Why is it so difficult?

Our past knowledge and competencies are the foundations for our feelings of identity, security and connection to others in the world. Abandoning past knowledge and competence challenges our identity and connection to the world and replaces them with a terrifying feeling of uncertainty, a "dark night of the soul". In the face of such terror, we usually deny the need for deep change.

#### Organizational Perspective

All organizations succeed by aligning their capabilities of knowledge and competence with the needs of customers or outside reality. This alignment is made efficient and effective through:

- Systemization
- Predictable performance
- Expectations

In this way, decisions and performance by everyone within the organization are aligned. When explosive or breakthrough changes occur in outside reality the organization cannot effectively maintain alignment by making incremental change. The organization faces a choice: either adapt or take the road to slow death .

At such times, organizations require leaders who are willing to:

- Step outside of well-defined boundaries and take risks.
  - Lead the organization into unknown territory.
  - Face problems with no existing answers.
- © Create solutions that are aligned with today's, not yesterdays, external needs.

In a growing, rapidly changing environment both the organization and its members must make deep change. In order for the organization to be flexible and responsive, its members must be equally flexible and responsive. Only organic individuals can create an organic organization.

### **The Benefits of Deep Change**

Once the terror is faced and people "walk naked into the land of uncertainty", they no longer worry about the dangers of change and how other people will see them. They experience a feeling of empowerment which involves:

- Feeling free.
- An altered focus on what is needed in the present.
- A growing vision for what is meaningful in the future.
- Feeling internally driven by their own values rather than other peoples expectations.
- Independent action.
- Enhanced, genuine caring about the organization.
- An empowering effect upon other people.

### **What Is Empowerment?**

Empowerment begins with the ability to change ourselves. The traditional view of the change process entails pressure for change coming from **the** outside world, which forces the organization to reinvent itself. Organizational change then builds pressure for personal change. The transformational model is one of bottom-up change, which begins with the individual. The source of empowerment is an individual's ability to influence and change others by changing themselves.

The transformational model offers a different view of leadership. In making the terrifying journey, the leader loses the old self and finds a new self, experiences greater meaning, and learns new perspectives. In changing themselves, the leader encourages other people to change by providing :

- A model
- Meaningful support
- Challenge

### **The Leader's Challenge**

Our own personal need for identity, security and connection with others can blind us from the need for personal change. When we see the need for deep change, we usually see it as something that needs to take place in someone else. We attempt to direct, rather than lead the change, and directives to change often fail. Each of us has the potential to change the world. Because the price of change is so high, we seldom take on the challenge. Our fears blind us to the possibility of excellence.

The price of not making deep change is high: a slow death, which moves us toward what is most feared.

### **Getting Lost with Confidence**

People who make deep change learn their way into the new and emerging world. "Traveling naked into the land of uncertainty"<sup>5</sup> allows us to:

- Forget what we know and discover what we need.
- Envision and create the future.
- © Turn terror into faith.

## Chapter 2: Confronting the Deep Change or Slow Death Dilemma

The rejection of deep change has ethical implications. To reject deep change is to choose short-term personal survival over long-term collective responsibility because the decision results in the eventual disintegration of an organization, business or industry. The triumph of self-interest over collective responsibility has moral overtones because it is a violation of the community's trust and responsibility. This violation often leads to guilt by the leader and anger by the community. Organizational members fake ignorance and the issue becomes undiscussible ; however, people know when a critical issue is being ignored. During troubled times people thirst for effective leadership and a credible vision.

There is a moral as well as emotional depletion of energy, which exacerbates the initial fear of change. Now people become the victims of burnout. A death spiral develops in which people are only going through the motions. They find it increasingly difficult to discover interest or relevance in their work. Their depletion worsens and they become increasingly unable to reinvent or develop themselves. Denial is supported by a short-term task oriented focus, which diverts their attention and provides a temporary emotional relief.

In slow death, the strategy for surviving takes two forms:

- Peace and pay.  
Peace and pay means "don't rock the boat." The price is a feeling of meaninglessness, hopelessness and impotence. The decision to avoid confronting a difficult situation creates the victim's role. In the victim's role, salvation can only come from the actions of others. Such resignation traps us in a vicious cycle from which escape is difficult. In the end, making deep change in ourselves is not something we do for the organization; we do it for ourselves. It is a choice to be alive.
- Active exit.  
The active exit strategy involves stress management, confronting reality, career management and career change. While this strategy is clearly more proactive than peace and pay, it is primarily self oriented and contributes to slow death at the organizational level. Most often, active exit becomes another version of peace and pay. People leave one organization only to arrive at another and find that the new situation is very similar to the one they just left. Our own denial and hypocrisy tend to travel with us.

### Understanding Slow Death

There are three qualities to the experience of slow death:

1. The pain we are experiencing is something we actively choose. We can choose a more healthy alternative.
2. We do not tend to choose the healthy alternative. Initially, slow death seems much less painful than the immediate death we associate with dramatic changes in our identity. Because our focus is short-term we see only the immediate pain of making a change and fail to recognize the much more painful sequelae of denying the need for change. This short-term focus also blinds us to the long-term satisfaction and meaning, which we attain through deep change. We tend to perceive slow death, not as a personal issue, but rather as an organizational issue. But if we are not continually growing we are slowly dying. The initial

discomfort of embracing unpleasant, disconfirming personal feedback is central to the process of growth. Understanding that life is a constant process of deaths and rebirths frees us to grow and become responsive to the individuals around us.

By focusing our attention on the cost of avoiding deep change (a living vision of death) and by noticing the vitality and empowerment of the deep change strategy, change becomes a choice to be alive.

## **Personal Change**

### **Chapter 3: The Fear of Change**

Several principles are characteristic of deep or transformational change:

- We all play active roles in the systems, which we wish to change.
- We tend to see the shortcomings of others and notice how these shortcomings contribute to the system's problems.
- We cannot ask for change in others while failing to exhibit the same level of commitment in ourselves.
- When we are convinced that it is others who need to change, our first approach is to tell them to change. If telling fails, our second mistake is to attempt to force them.
- Coercion produces short-term compliance and long-term resistance. The end result is only a damaged relationship.
- Relationship is the driving force behind all meaningful change.
- Most programs that initiate change in organizations fail and these failures are seldom analyzed. In reality, failure to change at the organizational level is a consequence of commitment and relationship at the personal level.

A key to successful leadership is continuous personal change, which through modeling demonstrates:

- Inner growth
- Empowerment
- Courage
- Integrity
- Trust
- Credibility
- A desire to contribute to others.

#### **Taking the Third Perspective First**

We must reflect on our own fear of change. The problem is that to grow, to take the journeys on which our growth is predicated, we must confront our own immaturity, selfishness and lack of courage. Our tendency to seek security conflicts with our own forceful, often overpowering need to take journeys and grow. In the end, the decisions we make about our journey determines how our self is aligned with our surrounding environment.

## **Chapter 4: The Heroic Journey**

We now have the beginning of an answer for why we fear change. We fear a loss of our own identity and our current connection. But how do we define our identity and connection to others?

The self is a point of view that unifies the flow of experience into a coherent narrative. The self is an unfolding process. We are energized when we are learning and progressing and we have our greatest sense of joy and meaning when we connect with others in mutual, enhancing ways. Our best self is not the old self but the new self, which is offered by the opportunity to grow.

Myths are the stories we tell about this unfolding process. Myths reflect our continual search for meaning and direction in our lives. Myths tell us what to do, how to organize our lives and thus how to feel safe. But today our environment keeps changing. Because environments are dynamic and our myths are based on the past we become misaligned. When this happens it is necessary for us to recreate our myths, paradigms, scripts or frameworks.

New paradigms are created through vision but actualized through a new action path in which we separate from the status quo and tackle uncertainty. Through new myths and paradigms we successfully realign ourselves with the changing reality and become leaders and change agents.

## **Chapter 5: Finding Vitality**

We have discussed how new alignment lies on the other side of uncertainty; however, how do we know when it is time to make a deep change?

We must:

- Monitor vitality.
- Break the logic of task pursuit.
- Develop a new perspective.
- Confront the integrity gap.

Loss of alignment between our values, identity and external reality exerts enormous pressure on the organization and the individual. From above, this pressure manifests itself as an authority without concern or demand without support. On an individual level, this pressure results in either peace and pay or active exit.

Loss of vitality is a symptom of such misalignment. For all of us, there is a feedback loop between effort and energy level. The more we work the more successful we become. Renewed success brings meaning, increased vitality and drive. This is a self-reinforcing, virtuous cycle.

Under conditions of misalignment, objectives become impossible. Immense pressure to produce encourages denial; we cross an invisible line, we stop focussing on what is important and our efforts begin to bring diminishing returns. The virtuous cycle inverts. It becomes a self-reinforcing, vicious cycle. Now, the harder we work the less effective we become. This causes

us to work harder, thus becoming even less effective. Diminished performance, frustration and stress sap our vitality and energy.

## **Chapter 6: Breaking the Logic of Task Pursuit**

As the level of stress increases, the attention span diminishes. Since people seek solutions to new problems in the same places where they found the old ones, there is a tendency to become rigid. Instead of responding creatively, when innovative action is most needed, people increase their commitment to their old patterns. They implement the most engrained, natural response.

This increasing commitment to old patterns is referred to as the logic of task pursuit. When we feel that we have too much to do, our individual drive toward task completion thwarts the need for personal development.

Warning signals that suggest a need for change tend to be denied. Our focus narrows, and we increase our commitment to our existing strategies, leading us towards greater difficulty. When this occurs we must break the logic of our old patterns and tasks. By charting a course towards deep change, we can renew our vitality.

At such times we require a strategy to break the logic of task pursuit. We must:

- Expand the focus of our attention in order to get out of ourselves.
- Think about the happiness of the past. What has been really important?
- Reexamine our motives. Consider whether we are pursuing what is really important.
- "Write our worries in the sand." Once motives, conscience and capabilities are aligned, external problems are much less significant.

When we abandon the logic of task pursuit, success is likely; but even if we experience failure, we will have done the right things. We change the world by changing ourselves.

## **Chapter 7: A New Perspective**

Enlarging our perspective is very difficult. The degree to which past success have etched a given map, script, paradigm or myth into our brain effects how we process information. In order to gain insight into a new and challenging situation, these maps must be reexamined.

Over time everyone develops a formula for success. We get recognized and rewarded for our efforts. Positive experiences validate our worldview or map. We know that we are right and we have historical evidence to prove it.

What we fail to see is that our success by the old formula is like a map that is guiding us to the edge of known territory. We cross a line into new territory and then we try to apply our old map there. Strange and frustrating things happen. We get into a viscous cycle. We continue to explore our new and problematic territory with an old map and that makes our problems worse.

One way to find a new perspective and realign the self is to retell the most important stories in our life. We tell the core of stories that are very central to our identity, but we recount it from the perspective of our current problem. By reconnecting our past values with our present problems we create innovative solutions.

The process of remythologizing involves:

- Recalling the important stories about your life.
- Asking yourself what is important about that story.
- Asking yourself whether your current actions are aligned with what is important.

Developing a new perspective allows us to discover purpose, value, direction, vision, meaning and impact in our lives.

### **Chapter 8: Confronting the Integrity Gap**

The heart of effectiveness, according to Torbert, is building integrity through the constant observation of one's lack of integrity. Awareness of the lack of integrity becomes the signal for contemplation and deep change. In effect, Torbert uses the pain of conflicting alternatives as the impetus for discovering new, "out of the box" solutions which maintain integrity with our true inner values. Such integrity creates an unconditional confidence in our ability to solve problems and maintain our values.

When we lose alignment we are forced to live at the cognitive, goal seeking level. We lose our vitality and begin to work from sheer discipline.

On the other hand, confronting the integrity gap involves:

- Contemplation
- Confronting our defense mechanisms.
- Facing our hypocrisy, cowardice, greed and insensitivity.
- Understanding a clear need for course correction.
- Slowly beginning to reinvent ourselves.

To initiate change is hell but the journey puts us on a path of exhilaration, growth and progress.

### **Chapter 9: Build the Bridge as You Walk On It**

The path of change is often torturous with no clearly defined structure for determining if our action is right or wrong; but organizational and personal growth seldom follows a linear plan of rationality and control. The lack of a linear plan is contrary to the traditional approach to change. Traditionally, we:

- Review our resources.
- Clarify our objectives
- Budget our resources for the upcoming period.

This approach is inadequate for deep change because we are letting our present resources determine our future achievement. Here we have plans but no visions.

When we make a deep change we follow a vision which leads us towards a plan that exceeds our present resources and as Gandhi noted, when one discovers what is right and begins to pursue it the necessary people and resources tend to turn up. The fact that we have enough trust and belief in ourselves to pursue our vision is what signals to others that the vision is worth investing in.

We know where we want to be but we seldom know the actual steps we must take to get there. In order to learn the way or "build the bridge" as we go we must have:

- Integrity  
Repeatedly closing the integrity gap builds confidence. This experience provides us evidence of our own internal competence.
  
- Values  
Awareness of our values provides direction during times of uncertainty, conflict or ambiguity.
  
- Faith  
Faith is confidence in the absence of any evidence to support confidence. Such confidence is formed from repeatedly closing the integrity gap in response to signals from ones own internal personal values. Faith is nurtured by acting according to conscience even if the acts involve personal risks. Acting according to conscience reinforces faith and supports a virtuous cycle.

## **Changing the Organization**

### **Chapter 10: Denying the Need for Change**

Behind the public goals of every organization reside operative goals that often override the espoused public goals. Groups initially organize to preserve a pattern of behavior and beliefs, which secure their identity and relationships within the organization and outside to the greater community.

In contrast to their public goals, the operative goals are driven by a desire to preserve these current patterns of behavior and beliefs. Most often these goals are congruent with the interest of the dominant coalition within each organization. For instance, the goal of public schools is to educate students. However, education may at times conflict with the interest of the dominant coalition, which is the teachers or school administration. This conflict between public goals of the organization and the operative goals of the dominant coalition are inherent to every organization.

Just as change threatens the identity, security and connection for individuals, so it does for organizations. For this reason, their values, beliefs, rules and patterns of behavior which form the organizations identity are sacred or "self sealing"<sup>2</sup> that is, they can never be challenged, tested or sometimes even discussed. This "self sealing model" represents the most sacred of common belief patterns because it preserves and justifies the present behavior of the most powerful coalition. The current equilibrium must be maintained. Change can only be incremental rather than transformational.

For this reason, deep change on an organizational level tends to occur only when the very existence of the organization is in serious jeopardy. Thus, the precipitant for deep change usually comes from the outside rather than from within. Also, it is not only the organization which resists change; practically speaking, change is not pleasant for the individuals within the organization. It requires sacrifice and suffering for everyone.

### **Chapter 11: Finding the Source of the Trouble**

Because the mandate of each organization is its own survival, the elements of a hierarchy tend to be maintained even if they have lost all meaning and purpose.<sup>3</sup> As a result, people can spend their time completing meaningless tasks. These organizational cultures which preserve our identity are not designed, they tend to evolve naturally. Such cultures facilitate certain desired outcomes and block others. For this reason, when a seemingly rational strategy conflicts with the cultures governing rules, little change can occur.

Beyond the rules and culture of each organization is the real system, our present construction of systematic thought itself, rationality itself. The problem is really not in the organization but inside each one of us. Our concept of "organizations" is a product of the way we think and behave. We have become skillful at organizing, routinizing, and controlling things in order to build equilibrium: preserving organizations. Although we are quite skillful at creating

organizational cultures, we are very unskilled at altering organizational structures that have outlived their usefulness. For instance, even though the current competitive environment might require non-hierarchical approaches, our existing cognitive maps still drive us towards maintaining the old culture.

Once we support a given organizational culture, our cognitive maps tie us to its preservation. We deny the need for change and sometimes even block reflective feedback by "policing criticism". This attitude can actually increase our commitment to the problem. Facts, rather than the problem, become our enemy.

### **Why Change Does Not Happen**

As long as we continue to enact the old maps on an individual level and the culture on an organizational level, deep change within organizations cannot occur. Superficially, the approach may appear different but below the surface things are substantially the same. The original patterns of behavior remain in our cognitive maps and we continue to use them. For instance, downsizing does not alter incongruent goals, poor strategy, divisive conflict, manipulation, or a lack of communication within an organization. In a world of hyper change, if the deep structure of an organization does not change, downsizing is only a short-term financial fix, which does not address the real problem.

Deep change requires an evaluation of the ideologies behind the organizational culture. Someone must care enough to exercise the courage to uncover the issues no one dares to recognize or confront.

Security and courage are required for us to first alter our own maps, align and empower ourselves, and then change the organization.

## **Chapter 12: When Success Is the Engine of Failure**

Every individual's successful progress within their organization depends on their ability to make personal deep change. As managers, we tend to be unaware of this process.

At the entry level of an organization, people are rewarded for technical competence, innovation, and action. Their focus is narrowly confined by their technical abilities and the challenges of the tasks before them. There is little need to operate or think at levels of complexity beyond the tasks and challenges for them. Their reality is essentially a technical reality and that perception of the world is defined by their technical orientation.

They have a paradigm of technical competence, which is characterized by the following:

- The focus on personal survival. One has to consider one's own needs and then decide how to be useful to the organization.
- The individual views in the organization as a system of technical production. Power comes from technical competence. Credibility is determined by professional standards and measurable goals.
- Communication occurs by rational confrontation of facts.

At times, communication about change within the organization will be frustrating because organizations are also political environments.

- Planning is rational, tactical and conventional.

Success at the technical level allows for promotion into management; however, effective, satisfying management requires an awareness of the political paradigm. In the paradigm of political transaction, the organization is not only a technical system but also a political system. The organization is a system of exchange in which people are continually gaining and losing power in the process of negotiation. The emphasis is on efficient, competitive and effective transactions in order to gain power and influence. The rational persuasion of the technical paradigm gives way to strategies of political leverage, which use various forms of either compromise or coercion to bring change. The emphasis is on maintaining relationships and avoiding career risks. The political paradigm is critical to survival in an organization. The individual must make a paradigm shift, a deep change. They must learn to perceive the world differently. What is now important is not only the facts of reality but how people, other than themselves, perceive this reality. They must think and operate in much more complex ways as they move up within the higher levels of the organization. This requires deep change.

### **Chapter 13: The Tyranny of Competence**

It is not just during times of promotion and advancement that the technical paradigm can become a liability. Organizations are a cooperative effort, which requires communication, commitment and cooperation. Therefore, the task at hand must also include relating to other people. When technical competence is the sole focus at the expense of maintaining good relationships, the technical paradigm becomes destructive to the organization.

For the individual contributor, who holds the technical paradigm, competence can be of sole importance. To them competence means task completion, "getting the job done". Technical competence gives them a sense of power and often the organization reinforces this position through their reward system.

But a powerful individual contributor can take control and begin to undermine the influence of other people within the organization. Their emphasis on their own competence and failure to value the contribution of other people ultimately poisons the work climate and reduces morale. Cooperation turns to competition and at times even sabotage. This situation will tend to worsen as most organizations will maintain their focus on the measurable achievements of competence and minimize the importance of relationships and teamwork. The resulting negative feelings, irrationality and inefficiencies fuel the process of slow death.

In an enlightened and thriving organization must contain competent people whose jobs are not defined or evaluated solely in terms of technical task completion. In order to avoid technical competence at the expense of collective failure, organizations must emphasize:

- Teamwork
- Development of all individuals within the organization.
- Leaders who appreciate the importance of relationship as well as competence.

In conclusion, the technical paradigm can become a liability not just for the individual but for the organization as well

## **Chapter 14: The Internally Driven Leader**

### **Comparing the Three Paradigms**

While the transactional paradigm enhances the technical paradigm by emphasizing relationships, the transformational paradigm infuses the transactional paradigm with moral vision. Thus, the transformational paradigm involves a shift from negotiation to values.

The transactional paradigm emphasizes personal survival, compromise, coalition, effective transactions, responsiveness to authority figures and strategy. On the other hand, the transformational paradigm views the organization not just as a technical or political system but also as a moral system. The emphasis is on a vision, which grows out of moral principles.

This transformational perspective arises from a deep inner reflection about the self and the internal and external structures that determine the organizational systems. Rules and structure are reorganized to be consistent with deeply held moral principles and values. Power and credibility no longer come from authority but from a behavioral integrity, which is aligned with the moral vision. This alignment of values, vision, words and action demonstrates the leader's commitment and empowers others. This new self-authorizing perspective creates strategies that are filled with risk and surprise because they are based on values rather than goals.

Rational planning is often replaced with exploring new areas, trying new methodologies and reaching new goals. Traditional strategies and targets are replaced by a risky, action learning process. Even the direct rational communication of the technical and transactional paradigms gives way to symbolic communication in which vivid mental images provide a general guideline as opposed to a specific directive. Because the leader's actions are often outside the rules of self-interest, their behavior is often unconventional and difficult to understand.

### **Making a Shift in Perspective**

It is natural for people to transition from the technical to transactional paradigm. Both of these systems require that we learn to think within the rules of our culture, our organization. On the other hand, the transformational paradigm is a deeply personal one where rules come from one's own values. To take on such a personal value based perspective, the leader must become free of the organization's most powerful expectations, see it from a self-authorized perspective and still care enough to be willing to do whatever it takes to save the organization. The catalyst for such a dramatic shift and perspective is often a personal crisis such as career failure or illness. Here leaders must empower themselves and learn to think outside the system. When they return, they see the system differently. They no longer feel dependent on the-system and are willing to pursue what is morally right instead of what the system expects.

Once the leader has made a transformational shift in paradigm change becomes natural. At the technical and transactional level, change threatens our sense of identity, security and connection.

The transformational leader no longer views personal survival as a driving force. Personal identity and vision have become so integrated that "to survive" is to do "what is right".

Moral vision allows these leaders to attach to the organization by choice, not fear. Others around the leaders are empowered by their visions and actions and in a "righteous" reinforcing cycle the transformation of the organization progresses as the leaders draw energy and vitality from those they have inspired.

## **Vision, Risk and the Creation of Excellence**

### **Chapter 15: Overcoming Resistance**

Organizations face a paradox. Achieving excellence requires vision and risk but the structures and processes of organizations encourage stability rather than change. The pressures for conformity are:

- Bureaucratic culture
- Embedded conflict
- Personal time constraints

#### **Bureaucratic Culture**

Barriers to change in bureaucratic culture include:

- Multiple layers of hierarchy.
- A tradition of top down change.
- Short-term thinking.
- Lack of top management support for change (a risk averse attitude towards change).
- Limited rewards.
- Lack of vision.
- Emphasis on the status quo.
- Failure to develop a learning environment. When projects fail the emphasis is on "who to blame" rather than "what to learn".

In addition to these barriers, there is also a "cost of success". Also, people worry that if they become indispensable, they might not be promoted. Finally, change agents can be feared or resented by their peers.

Taken together, these obstacles are symptomatic of an absence of vision within the organization. It is impossible to build a vision or a direction when there is no commitment to any particular set of values. Such confusion feeds the death spiral.

#### **Embedded Conflict**

Destructive conflict is also symptomatic of a lack of values and alignment within the organization. Such conflict can occur between functions in the organization, between peers, or between managers and their subordinates. Again, failure to align the values, goals and behavior of the organization's members leads to lack of support and even competition between individuals and groups.

#### **Personal Time Constraints**

In today's world people operate under intense time constraints. Under these pressures they easily feel overwhelmed and lose focus and enthusiasm about their work. The logic of task pursuit takes over, their focus narrows in inefficient ways and it becomes difficult to think about initiating anything new.

### **Middle Mangers as Leaders**

The obstacles to change within an organization are many and potent. They exist not by design but as a natural consequence of the organizing process. Regardless of corporate directives, the "meta-message is conform, don't rock the boat, choose peace and pay and experience slow death". The solution to the slow death dilemma cannot come from within the organization; the organization cannot, by its very nature, grant empowerment. People must empower themselves.

### **The Process of Personal Empowerment**

Several stages seem to characterize the cycle of personal empowerment:

- Redefine organizational roles.
- Engage in new patterns of action.
- Reevaluate core values, goals and operating methods.
- Increase awareness of paradigms.
- Expand orientation to change.

While the cost for change is high so is the pay off:

- Feeling more highly integrated with and committed to the organization.
- An expanded perspective and ability to explore new concepts and try new things.
- An increased sense of confidence and empowerment with an associated willingness to take more risks and test new ideas.
- Feeling self-authorized , not requiring support from above for what is right.
- Feeling responsible and able to learn from failures.

Here, a willingness to confront the pressures of conformity and pay the price of deep change creates a self-energizing cycle of continuous evaluation, reinvention and realignment of self.

### Chapter 16: From Manager to Leader

### Chapter 17: Why Risk Is Necessary

The technical/transactional/transformational model suggests a natural evolution from contributor to manager and on to leader. In reality, few managers evolve into leaders. Why? In order to evolve into the role of leader, managers must abandon the very stability and predictability for which their organization has trained them and continues to expect of them.

Organizations need people to conform. Traditionally, rules and procedures have been established to ensure stability and predictability in the organization. These rules and procedures are important and a lot of time and effort is invested in ensuring their implementation. Rules bind the organization together and make coordination possible.

Yet today's rules and procedures often represent solutions to yesterdays problems. The old rules often encumber an organization that tries to resolve new challenges from the external environment.

Never the less, managers are more comfortable with the traditional roles of analyzing performance and solving task related problems than they are with creating vision, inspiring values, and changing culture. Neither their past training nor the organization's expectations of them encourage managers to take on the transformational roles of vision setter and motivator in their organizations.

Unfortunately, when managers fail to take on the transformational role of leader, they fail not only themselves but all of the individuals within the organization who depend on them to model the change process. By avoiding the disapproval of the organization, they take everyone another step towards slow death.

## **Chapter 18: The Transformational Cycle**

### **Qualities of A Real Team**

- Enthusiasm
- Competence
- Clearly defined roles
- Common activity
- Cohesive, trusting relationships
- Personal discipline
- Individual sacrifices for the good of the team.
- High level of cooperative interaction.
- Performance that exceeds organizational expectations.

These qualities clearly contrast with the more typical characteristics of individual self-interest, anger, insecurity, distrust, little cohesion, and continuous political posturing. Such negative qualities when manifested by the management team at the top passes along the "grapevine" to the workers below and creates a climate of distrust, insincerity and a focus on self-interest.

### **Observations about Excellence and Peak Performance by Teams**

True teams pursue and attain moments of excellence and peak performance. The observation of such teams reveal:

- Organizations do, at times, perform beyond our expectations.
- Peak performance requires immense effort and thus does not occur very often.
- Shifting from the current equilibrium to a higher level means that a transformation must occur.
- At least one person must recognize that more is possible. Someone must lead the group towards the collective goal.
- Such transformational movement requires immense individual effort, communication, training and cooperation.
- The intensity of emotional, physical and mental effort cannot be sustained indefinitely.
- Peak performance requires "out-of-the-box thinking"<sup>55</sup>.

### **Why We Need Leaders**

True excellence cannot be sustained indefinitely. Periods of peak performance are interspersed between periods of systemization, routinization and organization. The team must recover from an enormous expense of energy and develop a new equilibrium. Over time, external circumstances change, and new challenges arise as the organization shifts out of alignment with the changing external reality. Leaders perceive this change and sense when the moment is right to raise the performance expectations of the group. Leaders are role models who both challenge and support their colleagues in this new effort.

In this sense, excellence is a dynamic state, not part of a routine process. Furthermore, you do not reach peak levels by repeating exactly the same process that worked in the past. Yesterdays' thinking is inadequate for today's problem.

Leaders provide the new paradigm necessary to analyze each individual situation and determine what is right. Leaders inspire good communication, cooperation, high expectations, risk and trust.

### **Attaining Excellence**

Most of us seek excellence by following a strategy of incremental investment. This strategy always fails. In order to attain peak performance and excellence, one must pursue a transformational strategy. Such a strategy is characterized by:

- Faith and courage
- An attitude of risk and learning.
- A commitment to exceed expectations because of intense caring.
- Experimentation, reflection and evaluation which lead to learning and growth.
- A willingness to change. Some part of the self or the organizational culture is abandoned, encouraging a new self or a new culture to immerge.

This willingness to abandon the old self and encourage the new self to immerge allows the leader to "walk naked into the land of uncertainty<sup>55</sup> and "build the bridge as they walk on it<sup>55</sup>. The process of figuring out where you are and where you need to go requires an awareness of internal enduring moral principles and values around which the organization develops a new identity which is aligned with the changing external reality.

In this model, organizations are dynamic. They are continually moving from a state of equilibrium to change and back to equilibrium. Organizations need leaders to stimulate and model this dynamic flow.

### **The Transformational Cycle**

Excellence is something that happens as part of a cycle with four distinct phases:

- Initiation
- Uncertainty
- Transformation
- Routinization.

By continually moving their organizations through the four stages of this cycle, leaders help the organization avoid four traps:

- Illusion
- Panic
- Exhaustion
- Stagnation

The initiation phase of transformational change requires a vision for which the organization is willing to take risks. The initial challenge for the organization is knowing whether the vision is an illusion or sound. Is it a vision for which it is worth taking a risk? Unsound visions trap the organization in a state of illusion or self-deception.

If the vision is sound, participants progress toward the uncertainty phase which requires intense, intuitive experimentation. The danger here is falling into a state of panic, when repeated action experiments fail. Participants must be able to tolerate the discomfort and frustration of failure in order to persist with experimentation. If the group can avoid the trap of panic and pursue intuitive experimental learning, a new theory or paradigm will eventually immerge and provide a solution. This phase is transformational because the new paradigm results in synergy and alignment. Relationships change and a new standard of excellence becomes the norm.

The risk in the transformational phase of the cycle is exhaustion by attempting to maintain this level of intense change. Instead, the new vision must be routinized as the task becomes fully mastered, systematized and integrated into a new equilibrium for the organization. In this final stage, the trap is stagnation. Continued reflection and evaluation during the routinization phase ensures that a new vision will emerge as the organization, in its new equilibrium, moves out of alignment with ever changing external reality.

In summary,

- We cannot maintain peak performance and excellence. Excellence can be attained but not indefinitely sustained.
- As excellence becomes systematized, it sets a new, higher standard, which in time becomes routinized and moves out of alignment with changing external reality.
- The pursuit of excellence drives continuous improvement in the standards of the system.
- Every organization either chooses continuous improvement through the pursuit of excellence or stagnation and slow death.
- Leadership stimulates the organization to pursue excellence through the leaders' vision, inspiration, and faith.
- Excellence cycles between four phases:
  - In the initiation phase, we avoid illusion by being intelligent.
  - In the uncertainty phase, we avoid panic by having faith in our intelligence and commitment.
  - In the transformation phase, we avoid exhaustion by integration and systemization.
  - In the routinization phase, we avoid stagnation by evaluation and self-reflection.

## **Chapter 19: Excellence Is A Form of Deviance**

The transformational cycle is driven by two conflicting forces in equilibrium: routinization and innovation. Innovative behavior and unconventional methods moves the organization towards excellence and distinguishes it from its competitors. Getting to such a point requires vision, courage and the discipline necessary to overcome resistance. This resistance to change is inherent in the organization's drive for stability through routinization. It is part of the transformational cycle.

Because this resistance is the organization's natural response to excellence, excellence must require continued deviance from the norm. When an individual or organization excels, it will encounter pressure to return to conventional behavior.

Deviance will always generate external pressures to conform. By its very nature, organizations seek stability and cannot empower people to change. Therefore, individuals and groups must be internally driven to change, to deviate from the norm.

### **Because It's Right**

What is the source of this internal power? How do you empower people when the organization does everything it can to kill innovative efforts? Organizations do not seem particularly interested in high performance and in fact often do everything they can to discourage it. Nevertheless,, transformational leaders choose a risky, painful path, which deviates from the norm. Why?

They do it because it is right and because it brings enormous internal satisfaction. This internal satisfaction outweighs the external punishment from the organization.

In fact, the organization's resistance and external punishment is a natural process, which forces us to weigh the trade off between internal satisfaction and external punishment. Contemplating the trade off makes us more aware of our internal values and gives us the strength to continue confronting the resistance through innovation and unconventional behavior. Through contemplation of values, courage becomes a reflex, simply part of the nature of an internally driven leader. For leaders, the pain of responsibility and deviance is exceeded only by the pain of lost potential. They understand that excellence is punished but they have developed a value system that provides no acceptable alternatives. They are internally driven leaders who are committed to continuing deep change and the pursuit of excellence.

## **Chapter 20: Confronting the Undiscussible**

Although many business organizations espouse the importance of responsiveness and cross-functional cooperation, few have made a commitment to the type of deep change, which supports the transformation from hierarchical to boundryless organizational culture. This process requires:

- An analysis of the organizations present culture.
- The development of a new cultural profile to meet the needs of a changing external reality.
- The identification of specific personal behavioral changes needed to create the new culture.

Such a transformation involves a four-quadrant assessment of the company's current culture from the perspective of clan, hierarchy, adhocracy and market. As a group, members must decide where the organization is and where it needs to go. Finally, each individual within the organization must genuinely reevaluate their own behavior and determine what must change for that behavior to be congruent with the new desired culture of their organization.

All four quadrants of the competing values model offer qualities that are critical to a transformational organization. These include learning, commitment, responsiveness, flexibility, cooperation and responsibility; however, trust is the foundation for a high performance team. In each new challenge, trust allows the organization to respond with a different four quadrant cultural model, which is uniquely congruent to the changing needs of each external reality. Trust makes learning, growing and contribution possible.

### **Confronting the Undiscussible**

Although self-assessment and candid discussion are the first steps in transforming the organizational culture, many issues become undiscussible within the organization. An undiscussible issue is one that is important to the organization but is too threatening to discuss within the organization.

Issues within the organization remain undiscussible for several reasons:

- A past history of painful negative feelings associated with an issue.
- The potential for intense negative feelings to immerge from individuals within the organization if the issue is discussed.
- A deeply held organizational identity, which conflicts with this issue, even if this identity defies external reality.
- A focus on short-term consequences.

People can become more concerned about the immediate pain of awareness and discussion than they are about the painful consequences of remaining misaligned with changing external circumstances.

Undiscussible issues have painful consequences:

- Loss of alignment between the organization's values and external reality.
- Segmentation between the cognitive and emotional aspects of communication.
- In the absence of emotional investment, the value of communication diminishes.
- As integrity and credibility fail, trust falls. Only the easiest, most consensual decisions are made.
- Innovation becomes unlikely.
- The erosion of trust segments people into coalitions; people withdraw and respect declines.
- People are negatively categorized.
- A vicious cycle sets in as perceptions become self-fulfilling prophecies
- Feelings of disempowerment and helplessness reinforce denial about the very behaviors that drive the crisis.
- People lose the ability to stretch and creatively negotiate challenges.

In order to effectively "discuss the undiscussible", people require information, skills and strategies. On a superficial level, confronting the misalignment threatens the trust and cohesion of the group. Individuals fear that disagreement will tear at the very fabric of the organization's stability. On an individual level, people tend to see disagreement with the organization as a threat to identity, credibility and job security. These concerns evoke feelings of fear, embarrassment and pain.

### **Strategies for Dealing with Undiscussible Issues**

- Obtain the help of a skilled facilitator.
  - Internalize and implement over time the skills of the facilitator.
  - Determine the undiscussible issues by surveying individual perceptions.
  - Design group discussions for each issue.
  - Build capability and trust by attacking the easiest issues first.
  - Stay with an issue until closure.
  - Confront issues but care about people.
  - Utilize supportive communication to facilitate cooperation.
  - Recognize that people are willing to sacrifice self for the good of the group only if they believe in its purpose and health. They will often suffer a loss if they can be part of an even more vitalized and successful group.
  - People must believe in the sensitivity, fairness and integrity of the central authority figures.
  - Failure is part of the learning process towards resolving issues. Measures of individual success must be congruent with the needs of the group. The criteria are both technical competence and loyalty.
  - Realignment initially involves an honest loss of identity, security and connection. People need help to recover.
- . Individual and group confidentiality must be maintained.

## **Chapter 21: A Vision From Within**

Organizations can adopt vision statements but lack vision, and building a high performance organization requires vision especially during turbulent times, people seek the meaning and direction which comes from a leaders vision.

In our current competitive global environment of contentious change, the organization's failure to provide a clear vision leaves people feeling isolated, detached from the organization, and insecure. Vision statements are often simply slogans which:

- Fail to persuade.
- Lack passion or excitement.
- Are inconsistent with the behavior of the CEO and top management team.

### **Who Is Willing To Die For The Vision**

Powerful visions share certain qualities:

- **Caring**  
Leaders and management teams must demonstrate to people that they care about their vision. In order for a vision to be important, it must be important to top management. No one cares about abstract, political-correct generalities, which are the consequence of painless compromise.
- **Sacrifice**  
Real vision crystallizes when people give up their individual needs for their own greater desire for the common good. There is a genuine shift from individual security to personal growth and contribution. It is a shift, which inspires because of the personal growth, which follows the focus on contribution.
- **Motivation for change**  
The credibility and integrity of powerful visions encourage people to change their behavior. Such visions motivate people by tapping into core values and intrinsic, universal, moral principles, which genuinely excite people.
- **Confrontational**  
Developing a vision requires more than superficial analysis; it involves confronting the systems lack of integrity. Creating a vision for change means defying the organization's rules for survival. Unless people overcome their own fear about surviving, they will remain unable to provide that vision.

Most company leaders feel inadequate about vision because they have not embraced an attitude of caring, sacrifice, motivation and confrontation. It is much easier to focus on solving today's problems than it is to mold the future, yet transformational leaders can do both. They link the operational present with the developmental future. In so doing, they create usefijl visions, which inspire people to new levels of performance.

### **On Finding Bread and Salt**

The search for core values, intrinsic, universal, moral principles, is not an abstract endeavor. In the early part of his career, Mohandas Gandhi went on a long journey through his homeland. He sought to capture, through personal experience, the needs of his people. He wanted to understand the essence of India. By directly experiencing the needs of his people, he was able to

articulate a vision people could feel and understand. Gandhi's vision inspired passion because it was rooted in both facts and values.

In order to align the operational present with the developmental future, leaders must delve into and deeply contemplate the core issues of their organization. Most senior executives fail to take this journey. They remain isolated from the external realities of "bread and salt". It is particularly difficult for them to discern these issues because of the upward filtering process in the organization. In a hierarchical structure, information from the base is finally filtered and highly polished as it moves upward to the top.

The snobbishness, which exists in most large organizations, isolates and insulates management. Such people cannot create a vision for the organization because they lack in emotional and cognitive awareness of what is important to people within the organization

When there is no vision people:

- Lose a sense of meaning in their lives.
- Lose a feeling of alignment between their inner values and their external tasks.
- Work harder and harder and receive less satisfaction for their efforts.
- Lack the vitality, commitment and initiative, which they use to have.

### **Discovering the Inner Voice**

Carl Jung believed that people did not solve their problems but rather that they outgrew their problems. Listening to the inner voice involves reconnecting with deeply held values. Our values often allow us to regain a perspective about our problems and often to see how our own conflicts are insignificant in the scheme of life. By reaching inside we climb to a higher level with a new perspective.

From this perspective, our resources for change are all internal. By extricating ourselves from the logic of task pursuit, we climb to a new position where we can more clearly hear our inner voice. Often, by realigning with our values, we can then confront the reality, which we have been denying. We come to understand that our coping strategies are failing and that we must align our inner values and external realities in order to survey and thrive.

### **The Inner Voice of the Organization**

The inner voice of the organization also calls for continuous realignment of internal values and external realities. In seeking the collective good, the inner voice does not distort the needs for sacrifice and change by deferring to the organization's culture of stability, routinization and systemization. This makes the inner voice of the organization an enemy to the existing, insecure organizational culture. Therefore, in order to preserve itself, the culture of the organization works to silence the inner voice. What nearly everyone knows individually cannot be voiced collectively. In particular, the inner voice of the organization is often a threat to those in authority.

Paradoxically, the inner voice is the most potent source of power in the organization. The inner voice:

- Leads to realignment.

- Increases the flow of internal resources.
- Articulates the moral core of the organization.
- Restores purpose, vitality and commitment.

We honor the collective inner voice by the simple act of listening.

### **Implication for Action**

The inner voice of the organization recognizes that the responsibility for deep change does not belong only at the top but with every individual in the organization; however, the hierarchical culture demands stability and intimidates those who would propose change. Terror provokes people to rationalize away their own responsibility and project this responsibility onto the authority figures within the organization.

The inner voice demands that truth speak to power. It does not require that we take foolish risks with those in authority, but it does demand intelligence and persistence in pursuit of meaningful change. Each individual must reflect on the important and often undisussible issues within their organization and consider whether they are willing to take real risks for the good of the company.

### **Bottom-Up or Top-Down**

Vision is created by a dynamic equilibrium between the top and bottom of the organization. From the bottom, employees participate in an inductive process of discovery, which engenders ownership and insight. This bottom-up process provides top management with the input they need to develop their own vision, which is then implemented from the top-down. Because this vision takes root from the input of employees, it touches the core of the system and is readily accepted. The vision begins from the bottom, is communicated to the top, and is translated back down to the bottom. This is the power of dialogue. Both leaders and employees are empowered by continually learning about the core needs of their organization.

## Chapter 22: The Power of One

The external world can be changed by altering our internal world. This concept is contrary to how most people view the world. As individuals we tend to focus on what is happening to us rather than what we bring to our experience. Practically speaking, very few of us believe that we create our own experience. Similarly, on an organizational level, it is felt that successful change must come from the top down.

On the other hand, history is filled with stories where one person made a difference, where vision, courage and persistence transformed events. Such people listen to an inner voice. They question whether something is right and they will take risks to tackle the system in unconventional ways. By empowering themselves, these people not only make deep changes in the system, but they also revitalize themselves with energy and confidence.

## Chapter 23: The Power of Many

### How Does the Organization Empower People?

#### Mechanistic View of Empowerment

Start at the top.

Develop a clear vision, plans and assignments.

- Provide necessary information and resources.
- Encourage process improvements.

Empowerment is about clarity, delegation, control, and accountability.

#### Organic View of Empowerment

- Start with the needs of the people.
- Expose the difficult issues.
- Model integrity through risk taking.
- Build credibility through small wins.
- Encourage initiative.
- Build teamwork.

Empowerment is about risk, growth, trust and teamwork.

By integrating these two models, leaders can create an environment, which encourages people to empower themselves. Leaders must dedicate themselves to managing four dynamic interrelated organizational processes:

- Strategic alignment.
- Clarification of expectations.
- Conflict resolution.
- Participation and involvement.

By managing these processes, leaders create an environment, which is both stable and organic. Such an environment is characterized by:

- Clear vision and challenge.

People understand top management vision and strategic direction. Because they have access to strategic information, they know where the organization is going.

- Openness and teamwork.  
Because of participation, openness, flexibility and cohesive teamwork, people can work together to solve problems.
- Discipline and control.  
Management develops a clear vision, communicates specific plans, delegates authority and responsibility, and creates clear measures of accountability.
- Support and a sense of security.  
When people receive support from their subordinates, peers and superiors, they have a sense of secure and predictable relationships.

In this environment, people must empower themselves. They must:

- Find meaning.  
People find meaning in their work and lives by clarifying their values. We must ask ourselves, "What is important?" and listen to the response of our internal voice. When people align their daily actions with their values they naturally care about what they do and their work has meaning.
- Develop competence.  
People must provide themselves with knowledge and skill.
- Experience self-determination and choice.  
People must align their personal values with the company's vision. Essentially, they must ask, "What is important to me about the company's vision?"
- Have a sense of impact.  
When we experience meaning, competence and self-determination we influence other people. Our creativity, responsiveness and effectiveness inspire others around us.