

INTRODUCTION

There is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things.

—Niccolo Machiavelli, *The Prince* (1532)

We can remember when change consultants were few and far between. About the only people thinking about and promoting planned change back then were a handful of organization development practitioners, and they seldom captured the attention of senior leaders.

Now in the twenty-first century, change and how to lead it successfully has become a critical topic on the minds of organizational leaders. And for good reasons: Change is happening everywhere; its speed and complexity are increasing; and the future success of our organizations depends on how successful leaders are at leading that change. In today's marketplace, change is a *requirement* for continued success, and competent change leadership is a most coveted executive skill.

Organizations' track records at change are not very good. The vast majority of today's change efforts are failing to produce their intended business results. These struggling efforts are producing huge cost to budgets, time, people, customers, and faith in leadership. Organizations are spending tens of millions of dollars on change efforts such as information technology installations, supply chain and reengineering, yet not obtaining their intended return on investment. Furthermore, the very methods used in these failed efforts are causing tremendous resistance and burnout in people, loss of employee morale, and turmoil in the cultures of

organizations. Put simply, organizational leaders are falling short in their efforts to lead change successfully.

Over the past twenty years, technology and other marketplace drivers have radically altered the very nature of change. Whereas change was once a contained transactional event (and easier to manage), it is now more open-ended, radical, complex, personal, and continuous. “Transformation” is the new type of change that has emerged, and it is by far the most prevalent and complex type occurring in organizations today. In general, leaders do not understand transformational change or how to lead it, which is causing virtually all of the change-related problems they are now facing.

These struggles have given rise to the field of change management. For the most part, change management practitioners have attempted to provide solutions to two major problems—how to plan better for implementation and how to overcome employee resistance. However, these two necessary components of change have not produced adequate positive results, especially for transformational change. Why? Because attention to implementation and resistance is only the tip of the iceberg of what is required in transformation. It is now time to move beyond change management into conscious change leadership; time to develop the advanced change strategies that support this new type of change; time to move from managing resistance and implementation to co-creating a positive future through successful, well-run transformational change efforts.

Leaders in need of change assistance have always been a window of professional opportunity for organization development (OD) and change management consultants. However, for the most part, these practitioners have not been as effective at providing the necessary support and guidance to organizational leaders as is necessary for transformational change. Put bluntly, most change consultants need to expand their awareness, skills, and approaches to leading transformational change as well.

What is the source of the problem? Is the issue about the changing nature of change? Is it about leadership? Or is it about organization development and change management consulting practices? *Our premise is that it is about all three: change, leadership, and today’s consulting approaches.*

Transformational change involves a number of very essential and unique dynamics that demand a new leadership perspective, skill, and style. Most leaders, however, are reviewing transformation through old mindsets with limited critical awareness and a reapplying traditional management approaches that

just do not work. Because leading transformational change is so radically different from managing or leading a stable organization, leaders cannot simply lay their old way of thinking, behaving, and operating on this new world and expect success.

Leading transformation calls for a deeper understanding of change and a new set of leadership skills and strategies. Leaders must broaden their understanding and insight about what transformational change requires, let go of or build off of their old approaches, and guide the process of transformation differently. In particular, they must transform their beliefs about people, organizations, and change itself; they must view transformation through a new set of mental lenses to see the actual dynamics of transformation; and they must alter their leadership style and behavior to accommodate the unique requirements of transformation.

As is means that leaders themselves must transform to lead transformation successfully in their organizations. Only then will the new skills of conscious change leadership become available to them. Only then will they be able to see, understand, and apply the strategies and approaches that make transformation work. And only then will they want to.

This is not to say that leaders are bad, wrong, unskilled, or somehow flawed. In fact, quite the contrary. Over the past two decades, leaders have done a phenomenal job of increasing the productivity of their organizations. However, because today's change is so often transformational (making it much more complex), the requirements for today's leaders, out of necessity, are expanding. The challenge is that today's marketplace is not asking for just leadership. It is demanding *change leadership*—even more, *conscious change leadership*—a new breed of leader for a new breed of change.

The term *conscious* signifies a required shift in both leaders' and consultants' *consciousness* regarding how they view change, themselves, and their roles as change leaders. Let's explore the terms.

Webster's dictionary defines *conscious* as "to know, a wareness of an inward state or outward fact; perceiving, noticing with a degree of controlled thought or observation; capable of thought, will, design and perception; acting with critical awareness."

Webster defines *consciousness* as "awareness, especially of something within oneself, and also the state of being conscious of an external object, state, or fact; the state of being characterized by sensation, emotion, volition, and thought; the upper level of mental life as contrasted with unconscious processes; mindfulness."

Change leadership implies seeing the future and being able to lead people to co-create it. *Conscious change leadership* infers that leaders and consultants become more “conscious” and aware of the deeper and more subtle dynamics of transformation, especially regarding people and process dynamics. Conscious change leaders see what others miss because they operate with expanded awareness and understanding. They perceive human dynamics more fully and the nuances of designing and implementing change processes that build commitment in stakeholders, transform culture, and achieve results beyond what others would deem possible. Conscious change leaders apply this increased awareness to expertly lead people through the process of change to co-create a future that will enable their organizations to win in the ever increasingly competitive marketplace.

A MULTI-DIMENSIONAL, PROCESS APPROACH

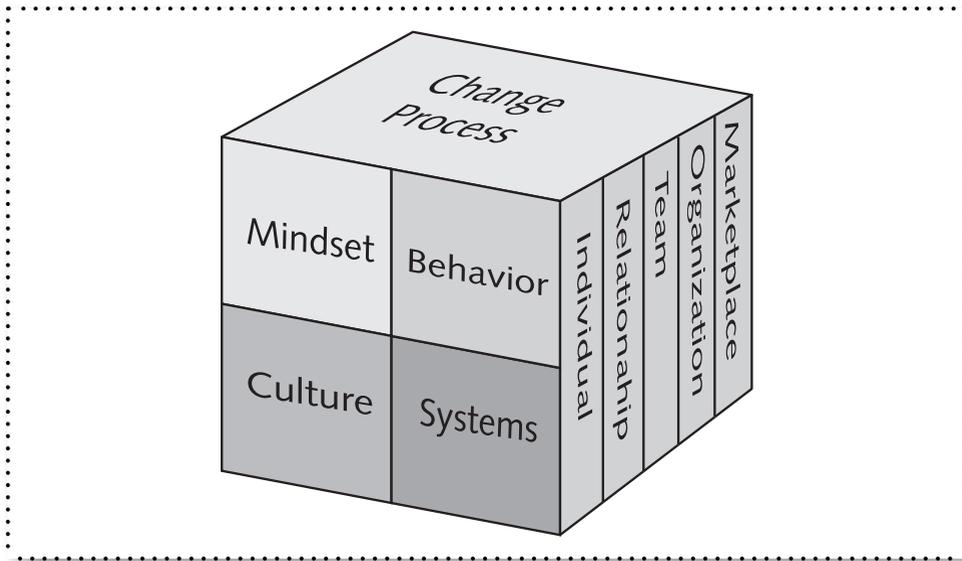
Mastery of any skill requires that you develop all aspects of the task. You cannot specialize in one area and neglect the others. There is always at least one set of two “polarities” that you must master to excel at anything. For example, to be a masterful communicator, you must develop both speaking and listening skills. Masterful golfers must be able to hit both the long ball and the short ball well. Masterful parents must know how to discipline as well as how to nurture their children. Being exceptionally good at one or the other polarity is not enough. You need both the “yin” and the “yang.”

Mastery, then, requires a focus on all areas of an endeavor and the pursuit of excellence in each. The more you improve your skill in one area, the more it calls forth your developmental needs in the others. Whatever you neglect becomes your weak link.

Mastery suggests that leaders and consultants must become conscious of and competent in *all* of the different dimensions of transformation, even those that they are not yet aware of or are comfortable addressing—areas that are outside their box of understanding.

For thirty years, we have been promoting the idea that leading transformation *masterfully* requires leaders and consultants to design and implement change processes that attend to both internal and external dynamics at the individual, relationship, team, and organizational levels. We have called this a “multi-dimensional, process approach” to transformation to denote all these different but interdependent areas of required attention. Now, with the rapidly growing global movement

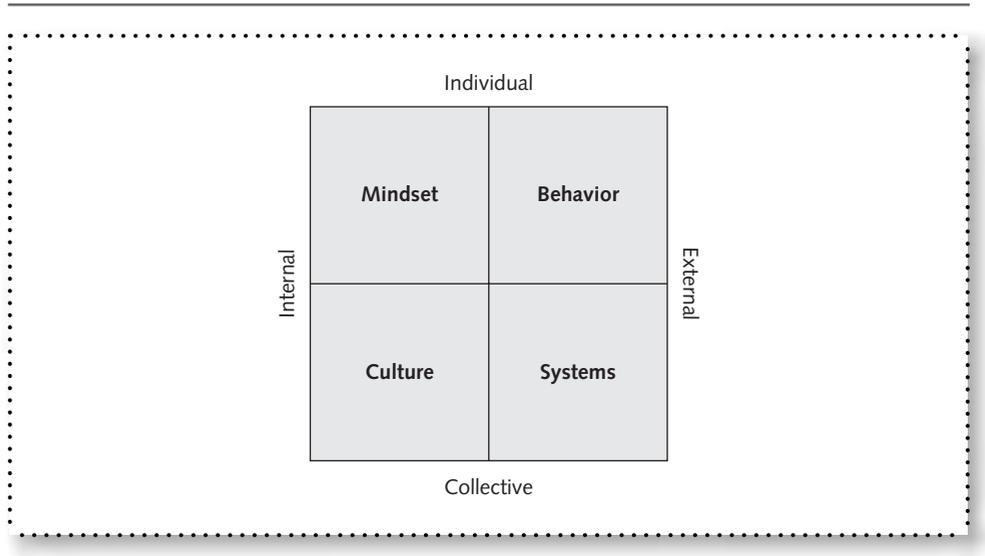
Figure I.1. The Conscious Change Leader Accountability Model



catalyzed around Ken Wilber’s groundbreaking work at the Integral Institute, we can also describe our approach as “integral” as defined by Wilber. Regardless of what we call it, the principle of mastery lies at the heart of it; you must attend to all the dynamics at play to succeed. Most change efforts fail because the leaders neglect critical dimensions.

Figure I.1 graphically portrays what we call the Conscious Change Leader Accountability Model. Change leaders are accountable for each of these areas because attending to them is required to succeed at transforming their organizations. Again, what you neglect becomes your weak link and cause of failure. Before we address the individual dimensions, let’s discuss the way the model is organized. We borrow from Wilber’s core work that he calls All Quadrants, All Levels (AQAL).¹ Notice that the face of the model is a matrix built on an x axis (internal and external) and a y axis (individual and collective), making four “quadrants.” (Figure I.2, as a segment of the overall model, further clarifies this.) The two quadrants on the left describe aspects of internal reality, while the two quadrants on the right describe external reality. The upper two quadrants address the individual, and the lower two address the collective.

Figure I.2. The Four Quadrants of Conscious Change Leader Accountability



Conscious change leaders must attend to all four quadrants: (1) mindset (internal, individual); (2) culture (internal, collective); (3) behavior (external, individual); and (4) systems (external, collective).

The **mindset** quadrant includes values, beliefs, thoughts, emotions, ways of being, levels of commitment, and so on. **Behavior** includes work styles, skills and actions, and behaviors. **Culture** includes norms, collective ways of being, working and relating, climate, and esprit de corps. **Systems** includes structures, systems, business processes, and technology.

Each of these quadrants must be addressed at all levels. Organization transformation is not simply about organizational systems or culture. It demands attention to individuals, how people relate, how teams function, and the marketplace itself. All will have an influence on your attempt to transform your organization.

We benefit greatly from Wilber's brilliant and clarifying AQAL model to depict this graphically, and we acknowledge his contribution to our improved way of communicating the full scope of required conscious change leader attention. Most importantly, the model makes it clear that conscious change leaders must always attend to internal and external dynamics within both individuals and the collective.

We complete our Conscious Change Leader Accountability Model by capping it all off with “change process.” Change processes occur within all the quadrants at all levels. Of critical importance, a successful organization transformation requires a change strategy and process plan that organizes and integrates all of these change processes and the activities within them into a unified enterprise-wide process that moves the organization (all its quadrants and levels) from where it is today to where it wants to be—transformed to something new that produces significantly improved results in its marketplace. In our consulting practice, we accomplish this very challenging and essential outcome using The Change Leader’s Roadmap methodology, which you can read about in the companion volume to this book under the same title. The book you are now reading outlines our multi-dimensional process approach to transforming organizations. We will describe it in detail, make a case for it, rationalize why it is necessary, and hopefully demonstrate the improved results and return on investment (ROI) it will bring to your change efforts. We will visit the Conscious Change Leader Accountability Model periodically throughout the book, each time making further distinctions about what transformation requires and how the quadrants and levels—and the processes within them—can be successfully addressed to deliver the results you are after in your change efforts.

Keep in mind that some of these “dimensions” are common, familiar, and understood by leaders and their consultants. Others are not. Those that are familiar to most leaders and traditional management consultants pertain to *external* reality, as in organizational structures, systems, and business processes. Those that are most familiar to change management specialists and OD consultants pertain to *internal* reality, such as perception, feelings, interpersonal relationships, norms, and culture. Mastery, of course, requires that leaders and consultants develop their awareness and skill in *both* arenas—internal and external—as applied to all levels and their change processes.

For us, the backbone of our consulting and training practices and experience over the past three decades has been human consciousness as it relates to breakthrough performance and outcomes in individuals, teams, and organizations, and the transformational change process. Our consulting careers have been dedicated to understanding the multidimensional nature of change, including how to change organizations as well as people. We have always attempted to integrate both the “hard” external and “soft” internal aspects of change, believing deeply that this integration was not only required but also represented the next evolution (beyond change management) that change leadership and consulting practices needed to embrace.

Building a multidimensional, process approach to transforming people and organizations to achieve extraordinary results has been our sole field of study. By nature, we are “action theorists.” We read, study, and research, and then rely heavily on our intuition to crystallize and integrate new learnings. We then build models and processes that we test heavily in the field with our clients. With their assistance, we next refine and evolve our thinking and practices. We attempt to be “pie-in-the-sky” visionaries, while remaining true and devoted pragmatists. We stretch ourselves continually; we like our feet on the ground while our heads are in the stars, and our writing reflects this. To achieve the extraordinary results we seek with our clients, we must take extraordinary measures and travel new territory—beyond the normal, beyond the traditional, beyond the current change management practices. We welcome you in to this inquiry about what *really* is required to successfully transform ourselves and our organizations.

OUR AUDIENCE

Over the years, we have been fortunate to work extensively with both change leaders and change consultants. Sometimes, our clients are the senior executives of the organization; at other times, our clients are the internal change consultants supporting those leaders. Usually and ideally, our clients include both the senior leaders and their internal change consultants.

In this book, we will thoroughly explore transformation and will provide an overview of what we believe it takes to both *lead* transformation and *consult* to it successfully. Consequently, we write for *both* leaders and consultants.

Certainly, there is a school of thought that suggests that we ought to separate the leader and consultant audiences and write specifically for each. However, we feel strongly that treating leaders and consultants separately and delivering individual messages, tools, and techniques to them has been part of the reason for failure in transformation.

Yes, leaders and consultants have unique roles that require specialized skills, but transformation demands a common understanding and skill set. This does not mean that the two roles (leading and consulting) should merge into one. Leaders must continue to lead, and consultants must continue to consult. Yet to be effective in transformation, leaders must develop people and process skills previously reserved for or shunted to their consulting counterparts, and consultants must become more grounded in core business skills and strategies previously reserved

for leaders. We intend this book to assist both along their respective developmental paths to becoming more competent “change leaders.”

Some of our discussions will clearly be geared to one or the other audience. At times, we will offer specific insights and techniques for leaders, and at other times, we will present specific consulting approaches and tools. However, in all cases, the “secondary” audience will benefit greatly from the discussion and from fully exploring the information and insights offered.

Given our bias and intent, we use the labels “leader” and “change leader” to refer to both leaders and consultants. When we refer solely to one or the other, we will make that clear.

We write with leaders of all levels in mind, with the key focus on leaders who have responsibility and decision authority for designing, influencing, or implementing their organization’s transformational change plans. This obviously includes CEOs and other senior executives but can also include mid-managers, supervisors, and employees who play vital roles on change project teams.

The change consultants who will receive the most value from this book are those responsible for educating, advising, and coaching line leaders to develop and implement large-scale transformational change strategy. Such consultants definitely include *process consultants*, such as organization development (OD) and organization effectiveness (OE) practitioners, change management specialists, process improvement facilitators, and LEAN and Six Sigma consultants. It also includes all *content consultants*, especially those with expertise in information technology, supply chain, creating e-commerce businesses within existing organizations, business process reengineering, knowledge management systems, business strategy, organizational redesign and restructuring, activity based costing, manufacturing technology and systems, and human resources.

We believe that this book will have broad appeal to anyone interested in or impacted by transformation. Consequently, we also write for educators and students of change. Educators can include college and graduate school professors, vice presidents of human resources, management development trainers, college and public school administrators, executive coaches, and public speakers. Students of change can literally be anyone, whether enrolled in school, working in the public or private sectors, or even lay people seeking to further understand one core dynamic of the twenty-first century—transformation!

And last, we write this book for all the targets of change, those people who are directly impacted by the quantity and quality of change that is rolling through all

of our lives. For these people, who may not be able to influence directly *how* their organization's transformation is occurring, we offer this material as support, knowing that anyone equipped with a better understanding of the dynamics of transformation will be better able to cope with it and thrive through its implementation.

A LARGER BODY OF WORK

The structure of the book is designed as part of a larger body of work that includes a companion book, *Ä e Change Leader's Roadmap: How to Navigate Your Organization's Transformation*, a Web-based application of The Change Leader's Roadmap methodology (CLR), and a complete set of change tools, published by Being First, Inc., our training and consulting Ärm (www.beingÄrst.com).

Either book can stand alone; you do not need to read the other in order to get value from them. However, the two books were written simultaneously and thus provide a complete overview of conscious change leadership: both concepts and the tools and methods. If you can, we suggest you read this book Ärst, followed by *Ä e Change Leader's Roadmap*.

This book describes the *conceptual overview* of conscious change leadership and what it requires to lead transformation successfully, whereas *Ä e Change Leader's Roadmap* provides a thorough description of the actual Change Process Methodology that puts these concepts in to *practice*. In other words, this book provides the theoretical foundation, and *Ä e Change Leader's Roadmap* provides pragmatic guidance and tools. We have written both because of our devotion to blending concept and technique. (One without the other always falls short.) Given this bias, we offer tools and worksheets where appropriate throughout this book as well. And *Ä e Change Leader's Roadmap* connects its pragmatic guidance directly back to the theoretical basis offered here. The Web-based CLR application and the change tools published by Being First are more comprehensive and detailed than what is offered in either book. You can learn more about both at www.changeleadersroadmap.com.

We provide premium content in various places throughout the book. Premium content is additional information that supports the topic being discussed, and is identified by an icon in the margin. You can access the Premium Content at www.pfeiffer.com/go/anderson. A list of all of the premium content is provided at the beginning of the book.



College and graduate school professors can access for use in their courses an Instructor Guide for both this book and *The Change Leader's Roadmap* at www.wiley.com/college/anderson. Corporate trainers can access the Instructor Guide for use in their executive and management development programs by sending an email request to instructorguides@beingfirst.com.

Our desire in writing these two books and in publishing the change tools is to provide all the support we can for your application of this conscious, multidimensional, process-oriented approach to leading and consulting to organization transformation.

STRUCTURE OF THIS BOOK

Throughout the book, we continually deepen a conversation about what conscious change leadership entails and why we must move beyond change management. We will use our Conscious Change Leader Accountability Model as a reference point throughout the book, referring to it periodically to guide and highlight critical aspects of our discussion.

There are four sections to this book. Section One, *A Call for Conscious Change Leaders*, contains five chapters. In Chapter One, "Achieving Breakthrough Results from Change," we outline the costs of failed change, the common mistakes that cause it, and the great opportunity for extraordinary results that competent change leaders who attend to three critical focus areas can deliver.

In Chapter Two, *The Drivers of Change*, we outline what is driving change and how we must respond to those drivers to succeed. We reveal how transformation includes more drivers than other types of change, making it more complex and challenging. We also track the history of change over the past fifty years and demonstrate how that history corresponds with an increase in the drivers we face. This sheds light on what is catalyzing change in today's organizations, specifically, what is catalyzing transformational change.

In Chapter Three, *Three Types of Organization Change*, we define transformation and contrast it with the two other types of change that leaders face. We reveal why transformation is more complex and the additional areas that change leaders must attend to in order to get the results they seek.

In Chapter Four, *Two Leadership Approaches to Transformation*, we describe two very different approaches that leaders and consultants bring to transformation and the impact each has on their potential success. In this discussion, we clarify

why transformation requires leaders and consultants to become more conscious in their approach. We provide the details of what that means and how it can catalyze breakthrough results from change.

In Chapter Five, Building Organizational Change Capability, we describe why change must become a strategic discipline in organizations to meet the challenges of the twenty-first century. We outline five strategies for building superior change capability in your organization.

In Section Two, People Dynamics, we focus directly on the essential human dynamics of change. Specifically, in Chapter Six, Human Dynamics: From Resistance to Commitment, we address the inner dynamics of people, their core needs, and the causes of resistance to change. We describe emotional transitions and provide guidance on how to assist people through them to generate solid levels of commitment.

In Chapter Seven, The Role and Impact of Mindset, we define mindset and demonstrate how it influences what change leaders perceive in their transformations, the behaviors they model, and the results they are able to produce. We also discuss why self-management and personal transformation are required competencies in both leaders and consultants.

In Chapter Eight, The Role and Impact of Culture, we define culture and explore different types of culture and their impacts on organizational outcomes. We provide an overview of our approach to transforming culture and establish a model for clarifying what needs addressing in culture change efforts.

In Section Three, Process Dynamics, we explore a greatly expanded view of the process dynamics inherent in transformation. In Chapter Nine, “Conscious Process Thinking,” we demonstrate that leaders’ traditional “project thinking” mentality limits transformation and show how systems thinking is a move in the right direction, albeit one leaders have not taken far enough. We introduce conscious process thinking and demonstrate why it is essential to successful change leadership.

In Chapter Ten, Change Process Models, we outline change process models, contrast them to change frameworks, and describe why change frameworks do not suffice for guiding transformation. We also introduce The Change Leader’s Roadmap, our own process model built on three decades of action research. We describe why a successful change process model must be both “fullstream” and a “thinking discipline,” and why linear prescriptions for action are not applicable to the realities of transformation.

In Section Four, Answering the Call to Conscious Change Leadership, we conclude our journey. In Chapter 11, Answering the Call, we provide an overview of our discussion and put it all together. We discuss the choice to become a *conscious* change leader and the commitment and accountability that accompany that choice. And we ask you, “Do you choose to answer the call to conscious change leadership?”

In writing this book, we aspire to communicate what is possible in leading transformation consciously. We dream a dream here, a dream that has transformation actually deliver breakthrough-level business results, culture change and superior change capability—all at the same time. We dream of transformation that has positive impacts beyond profitability and shareholder value. We dream of transformation that improves people’s lives, deepens their ability to get what they want, and strengthens their relationships, trust, and joy in working together for common goals and aspirations. We dream of transformation that positively contributes to organizations, communities, societies, and nations. We dream of transformation that is so user friendly that it bolsters people’s resolve and capacity for even more positive change in themselves and the world. And we dream of the possibility of collectively working together to create a world of greater social justice and environmental sustainability.

Nothing would give us greater satisfaction than to know that this book has added to the possibilities of these dreams. We hope it serves you well.

ENDNOTE

1. Wilber, K. *A Theory of Everything*. Shambala, 2000, p. 70.

