Is Real Change Possible? by Eric Klein

Leaders who are committed to building legendary companies know that to move their organization to the next level requires more than a smart strategy. Organizationally and personally these leaders stand on the threshold—where big challenges and big questions meet. The threshold is a place of both great risk and new possibilities.

But, is change really possible?

A study of more than 100 organizations engaged in major change efforts, conducted by the University of Michigan, determined that 85% of change initiatives don't yield tangible, much less durable results. Why?

There is no single explanation for such dismaying results. But, most of the unsuccessful change efforts that we have studied up-close reveal a common pattern: the more obvious and easy-to-address aspects of change are tackled; and the difficult, invisible, and ultimately most powerful aspects are ignored.

While it is easier to see and address the most visible aspects of the organization – the competencies, structure, and systems, it is the invisible, internal, and more personal aspects—the conflicting values and unexamined beliefs—that drive or undermine deep and lasting organizational change.

Our typical approach to change efforts is reminiscent of an ancient Sufi story called "The Key".

The Mulla Nassrudin was discovered late one evening on his hands and knees searching intently in the road beneath a street lamp. His friend, coming upon him in this position, asked, "Mulla, what are you looking for?"

Nassrudin replied, " I am searching for my keys."

"Where did you lose them?" the friend inquired.

"Across the street," was the ready reply.

"Then why," asked the confused friend, "are you searching so intently over here?"

"Oh," explained Nassrudin, looking up, "the light here is much better."

Expanding the Focus

The following model, based on the work of Ken Wilber, can provide leaders with a template for focusing change efforts into those areas that are typically ignored. The power of this model is that it gives equal weight to both the inner/subjective aspects of change and the outer/objective aspects. It identifies and recognizes the importance of focusing on both the individual and the collective aspects of organizational change.

	Subjective	*Objective*
Individual	QUADRANT 1 *Personal Meaning* *&* *Engagement*	QUADRANT 2 *Skills* *&* *Behaviors*
Collective	QUADRANT 3 *Culture* *&* *Shared Values*	QUADRANT 4 *Systems* *&* *Structure*

QUADRANT 1 • *Personal Meaning*: is the subjective/individual aspect of change. This is the interior reality of people. It is the area of values, beliefs, and identity. It focuses on cognitive, psychological, even spiritual development. In this dimension leaders attend to inner development, recognizing that no substantive change in the organization is possible without a change in personal meaning or identity.

QUADRANT 2 • *Skills*: has to do with the objective/individual aspects of change. This is the domain of technical skills, interpersonal skills, and the science (physiology/neurology/psychology) of peak performance. This dimension is where leaders pay attention to developing skills, defining competencies, and nurturing habits that promote peak performance.

QUADRANT 3 • *Culture*: deals with the subjective/collective aspects of change. This cultural domain focuses on the interior, often hidden, territory of our shared assumptions, values, and "unwritten rules". It reminds leaders to pay attention to the political and power dynamics that shape what can/cannot be discussed and "how things really work around here". In this quadrant, leaders attend to building shared meaning and investigating the "accepted" ways of working that limit collaboration and accountability.

QUADRANT 4 • *Systems & Structure*: has to do with the objective/collective aspects of change—the organizational systems, the social, economic, and regulatory context in which we work. This is the quadrant of organization design, technology, workflow, policies and procedures, metrics, reward systems, and regulations. This quadrant reminds leaders that system design determines performance and that if we want to get people to perform

at a substantively higher level, we need to design systems that support it.

Each of these quadrants is related to all the others. Development of one quadrant is inextricably bound up with all the others. Ignoring any one of them leads to the dismal results of most change efforts.

Work in All Quadrants

An *all-quadrants approach* to change is needed. This is called taking an *integral* approach to change.

The integral approach seamlessly blends system, cultural, and individual development into a single commitment. This means giving full attention to the neglected quadrants of personal meaning and culture. It also means setting clear standards for behavior and performance while also adjusting the organizational structure and processes to both reflect the cultural values and support desired results.

But, the key to accelerating change lies in the internal, subjective quadrants. These are the places of inner work that are often ignored in organizational change initiatives. In our fast-paced world it is easy to do. But, there is too much at stake to keep ignoring the inner work. If we are serious about change—personally and organizationally—
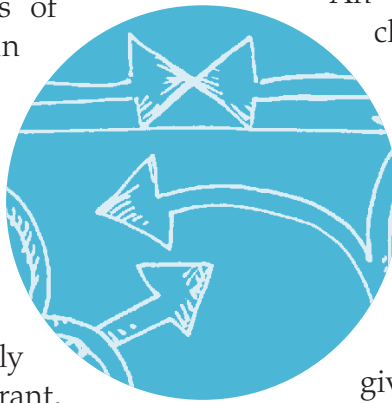
we need to attend to all four quadrants. Most leaders we work with admit, "It is easier to work in quadrants 2 and 4—the skills and the systems. It's tangible stuff. We've done it before. It's familiar. We know how." These same leaders acknowledge that just focusing on systems and skills is not enough. They tell us that without individual engagement (quadrant 1) and cultural shifts (quadrant 3) – nothing really takes off. As a client of ours has succinctly stated, "Culture eats strategy for lunch."

In truth, ignoring *any* quadrant undermines the change effort. Focusing only on objective dimensions leaves peoples' minds and hearts behind. But, focusing just on the inner work leaves out the necessary changes in organizational systems. Leaders must attend to all four quadrants to ignite organizational transformation and sustainable change.

Incremental and intermittent change is possible by doing what most organizations do. Leaders can temporarily "reform" the organization by tweaking the system – a quadrant 4 approach. This is what is commonly termed "organizational change". This might mean conducting a re-org, overhauling the IT system, benchmarking against competitors, or restructuring financial models. All these are potentially powerful and appropriate interventions. But, and this is the real "key" to the integral approach, changes in any quadrant automatically impact the other three quadrants. And when the impact is not taken into account—the hoped for benefit of the change is reduced or undermined.

In other cases, organizations take a skills development—or quadrant 2—approach to change. Recognizing that new skills are needed—training programs are designed and rolled out. Again, training can be a critical element to a well-executed and integral strategy. However, when training is delivered in this manner it can produce backlash—either overtly or in the more insidious form of organizational cynicism that labels the training as "flavor-of-the month".

Substantive and sustainable change cannot occur without attending in a disciplined way to the neglected quadrants:

Quadrant 1: the inner examination of leadership values, beliefs, and identity.
Quadrant 3: the collective uncovering of our cultural values, beliefs, and unwritten rules.

Is Real Change Possible?

So, is real change possible? Can leaders do better than an 85% failure rate?

The answer is yes, but only if leaders manage change in an integral way—working in all the quadrants outlined above.

This means that *organizational change and personal change are inextricably linked.* And that ignoring inner development is blocking change efforts. For too long the inner dimensions of leadership and the outer dimensions have been kept apart. We are living with the consequences of this split in our organizations. It manifests as reduced productivity and re-current problems.

Organizational change is propelled when leaders recognize with Dr. Edward Deming that, "There can be no organizational transformation without personal transformation." This means that real change is dependent on leaders taking business issues deeply to heart. It requires leaders who are willing to be the change they want for the culture.

Leadership & Change

Much of what is termed resistance to change is the struggle people have, individually and collectively, with reorganizing their sense of identity, meaning, values, power, and possibilities.

People need help to make this transformational journey. They seldom get it in the way most change efforts are constructed. This is a responsibility of leadership—to guide the transformation of individuals and cultures.

The ancient story of the hero's journey is a template for leaders who want to renew themselves and their organizations. The heroic quest involves inspiration, self-discovery, trials, and the discovery of new and more powerful ways of serving the world.

Today, many leaders recognize that they are already on a journey. These leaders recognize the subtle but undeniable connection between peoples' inner life and the organization's ability to thrive in times of dynamic change.

These leaders confront—on a daily basis—the ways in which consciousness determines performance. They recognize that to move themselves and their organization to the next level requires more than a great strategy. It requires an inner act of courage and the realization that "I have a contribution make."

There is a part of us that remembers the contribution we most want to make through our leadership. It knows what we are here to do. We do not invent this knowing - we detect it and we let it find us. When we align our leadership actions with this purpose - we become fully alive. We become ourselves. We become capable of the kind of leadership that produces real change.

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