LEADERSHIP CULTURE
- Field Guide -
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership Culture: Introduction</td>
<td>2</td>
</tr>
<tr>
<td>An Overview of Tools</td>
<td>9</td>
</tr>
<tr>
<td><strong>Tools for Promoting Inquiry</strong></td>
<td></td>
</tr>
<tr>
<td>Culture Walk-About</td>
<td>15</td>
</tr>
<tr>
<td>Storytelling for Transformation</td>
<td>18</td>
</tr>
<tr>
<td>DAC Survey</td>
<td>22</td>
</tr>
<tr>
<td>6 Box: Discovering Beliefs that Drive Outcomes</td>
<td>24</td>
</tr>
<tr>
<td>Leadership Essentials for Change™</td>
<td>27</td>
</tr>
<tr>
<td><strong>Tools for Assessment of Leadership Culture</strong></td>
<td></td>
</tr>
<tr>
<td>Leadership Culture Rubric</td>
<td>29</td>
</tr>
<tr>
<td>Leadership Culture Indicators™</td>
<td>34</td>
</tr>
<tr>
<td>The Leadership Culture GAP Analysis</td>
<td>37</td>
</tr>
<tr>
<td>Strategy Line-up</td>
<td>39</td>
</tr>
<tr>
<td>Team Workstyle Continuum</td>
<td>40</td>
</tr>
<tr>
<td>Transformations™</td>
<td>40</td>
</tr>
<tr>
<td><strong>Tools for Stimulating Dialogue</strong></td>
<td></td>
</tr>
<tr>
<td>Dialogue Tool</td>
<td>45</td>
</tr>
<tr>
<td>Exploring Leadership Culture Using Leadership Metaphor Explorer™</td>
<td>47</td>
</tr>
<tr>
<td>Exploring Leadership Culture Using Visual Explorer™</td>
<td>48</td>
</tr>
<tr>
<td>Fish Bowl</td>
<td>49</td>
</tr>
<tr>
<td>Putting Something in the Middle</td>
<td>51</td>
</tr>
<tr>
<td><strong>Appendix I: White Papers</strong></td>
<td></td>
</tr>
<tr>
<td>Transforming Your Organization</td>
<td>53</td>
</tr>
<tr>
<td>Measuring Impact of Your Leadership Culture Change Initiatives</td>
<td>64</td>
</tr>
<tr>
<td><strong>Appendix II: Case Studies</strong></td>
<td></td>
</tr>
<tr>
<td>Toward Interdependent Leadership Culture</td>
<td>75</td>
</tr>
<tr>
<td>The Kone Americas Case</td>
<td>79</td>
</tr>
<tr>
<td>CCL Partners with Graymont to Align Leadership Culture with Global Strategy</td>
<td>88</td>
</tr>
<tr>
<td>Abrasive Technology Inc</td>
<td>90</td>
</tr>
</tbody>
</table>
Welcome to:

Seeing and Evolving
Our Leadership Culture

Simple Tools & Essential Ideas for
Better Organizational Beliefs and Practices
In a Complex World

Center for Creative Leadership Research *Inside*

Prototype brought to you by the Interdependent Leadership Research Project Team, in collaboration with the Organizational Leadership Practice Team and CCL Labs.
Leadership Culture: Introduction

What is it? Why is it important?

Much of our success in the world depends on our ability to learn, grow, and change as groups of people in organizations, businesses, communities, and societies.

Culture is the key. Culture can “make or break” our collective abilities to adapt. Culture always wins. The good news is that culture itself can change in positive ways that create collective success.

The Box is based on two key research insights:

A healthy leadership culture is a key part of the success of any group, team, organization, or community. The ability of a collective to learn, grow, and change depends on the leadership culture of that collective.

and

Leadership culture itself can evolve and even be intentionally transformed in ways that support collective success and the greater good.

Leadership culture is the meaning we make, and the tools we use, to create direction, alignment, and commitment among people with shared work.

The process of seeing, growing, shifting, and even transforming leadership culture is central to the healthy growth of successful groups, organizations, and societies.

The three outcomes of shared direction, alignment, and commitment are how we recognize when leadership is occurring in any leadership culture.

Leadership itself is the creation and maintenance of effective direction, alignment, and commitment (DAC) — no matter how that is accomplished.

Leadership culture shapes how we think about leadership. Leadership culture shapes our views about what good leadership looks like in practice, and how more effective leadership might be developed. Leadership culture can be thought of as the “operating system” for producing DAC.

People from different leadership cultures will often disagree about how to recognize and practice effective leadership. Positive leadership development artfully engages these disagreements in pursuit of best practices and best beliefs.

It is important to know and understand your leadership culture thoroughly, and how it fits with your mission and emerging strategies, before designing leadership development initiatives.

The most effective leaders do two things: They embody and engage the leadership cultures of which they are members, and they challenge their leadership cultures to evolve in positive ways.
Three Kinds of Leadership Culture

There are three kinds of leadership culture, with different beliefs and practices for creating shared direction, alignment, and commitment.

<table>
<thead>
<tr>
<th>Leadership Culture Types</th>
<th>What They Believe and Practice</th>
<th>Where They are Typical</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependent</td>
<td>People with formal authority and power are responsible for leadership.</td>
<td>These are often traditional organizations based in rigid hierarchies and top-down command and control.</td>
</tr>
<tr>
<td>Independent</td>
<td>Leadership comes from expertise, the drive to achieve, and heroic action.</td>
<td>These are often larger and more complex organizations with functional or geographical divisions or “silos.”</td>
</tr>
<tr>
<td>Interdependent</td>
<td>Leadership is a collective, boundary-spanning activity.</td>
<td>These are often flat organizations based in collaboration and dialogue as the key way of adapting and addressing challenges.</td>
</tr>
</tbody>
</table>

Organizations are often a mix of these three kinds of leadership culture. For example, finance functions often have a dependent leadership culture. Regional leadership cultures can be very independent. Integrated supply chains often express the beliefs and practices of interdependent leadership cultures.

Figure 1 demonstrates how the outcomes of leadership, Direction, Alignment, and Commitment are achieved differently, depending on the dominant type of leadership culture.
Figure 1: DAC and Leadership Culture

<table>
<thead>
<tr>
<th>Direction</th>
<th>Alignment</th>
<th>Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agreement on direction is the result of <strong>shared exploration</strong> and the <strong>emergence</strong> of new perspectives.</td>
<td>Alignment results from <strong>ongoing mutual adjustment</strong> among <strong>system-responsible</strong> people.</td>
<td>Commitment results from <strong>engagement in a developing community</strong>.</td>
</tr>
<tr>
<td>Agreement on direction is the result of <strong>discussion</strong>, <strong>mutual influence</strong>, and <strong>compromise</strong>.</td>
<td>Alignment results from <strong>negotiation</strong> among <strong>self-responsible</strong> people.</td>
<td>Commitment results from <strong>evaluation of the benefits for self</strong> while benefiting the larger community.</td>
</tr>
<tr>
<td>Agreement on direction is the result of willing <strong>compliance</strong> with an <strong>authority</strong>.</td>
<td>Alignment results from <strong>fitting into</strong> the expectations of the <strong>larger system</strong>.</td>
<td>Commitment results from <strong>loyalty</strong> to the source of authority or to the community itself.</td>
</tr>
</tbody>
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Figure 2 presents more of the shape and substance of this vertical progression of leadership culture.

**Figure 2: The Vertical Development of Leadership Culture**

<table>
<thead>
<tr>
<th>Leadership Cultures</th>
<th>Leadership Logics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dependent</strong></td>
<td><strong>Opportunistic</strong></td>
</tr>
<tr>
<td>People in authority are responsible for leadership</td>
<td>Wins for self in any way possible</td>
</tr>
<tr>
<td><strong>Independent</strong></td>
<td><strong>Diplomatic</strong></td>
</tr>
<tr>
<td>Leadership emerges from individual ability and the drive for achievement</td>
<td>Wants to belong and fit it</td>
</tr>
<tr>
<td><strong>Interdependent</strong></td>
<td><strong>Expertise</strong></td>
</tr>
<tr>
<td>Leadership is a collective activity</td>
<td>Focuses on logic and expertise</td>
</tr>
<tr>
<td><strong>Achieving</strong></td>
<td><strong>Redefining</strong></td>
</tr>
<tr>
<td>Driven by personal and team achievement</td>
<td>Reframes complex problems in unique ways</td>
</tr>
<tr>
<td><strong>Transforming</strong></td>
<td><strong>Alchemist</strong></td>
</tr>
<tr>
<td>Generates organizational and personal transformations</td>
<td>Integrates material, spiritual, and societal transformations</td>
</tr>
</tbody>
</table>

Evolution of an increasing capacity to create and maintain shared direction, alignment, and commitment in the face of complexity and change.

Strategy requires the right leadership culture for execution. Culture always wins. Changes in behavior, new competencies, and best practices are necessary but not sufficient for leading in times of turbulence and change. Culture development — evolution and even transformation — is required for effective leadership in support of bold strategic aims.

Many organizations have outmoded leadership cultures that are not adequate for facing and solving the complex challenges in today’s turbulent environment.

As the world and the challenges it presents becomes more complex, and as more people participate in leadership, there is a need to move toward more interdependent leadership cultures.

With the right approach it is possible to deliberately evolve and even to transform leadership cultures.

This type of growth toward a more complex and mature worldview is often referred to as vertical development. The vertical development of leadership cultures requires the individual vertical development of at least some of the key leaders and members of the collective. We also call it transclusive development. The word “transclusive” refers to “transcend and include,” which is a key dynamic of human development and maturation.
Getting Started

How can we see and talk about leadership culture, together?

Welcome to your leadership culture!

We invite you to make yourself comfortable. Look around, with your new lens of leadership culture.

Paying attention to leadership culture is the best way to get started. You don’t need any special tools to get started — go have a look.

What do you see?

Keep a journal. Write about it, blog about it. Draw it, imagine it, frame it, and reframe it.

The thing is, it can be hard to see, because there is so much of it, all around us, and we are swimming in it all the time. There is a famous idea that fish cannot see and appreciate water they swim in. But that can’t be true anymore, because the fish have heard about it, and now they know. Now you know. You are swimming in it. Pay attention.

After swimming awhile, it’s good to have some tools for paying attention. Much of this Toolkit is about tools for paying attention, in different ways, together.

Leadership culture is the set of beliefs, practices, and tools in a collective about what effective leadership looks like, how it is developed, and how it is effectively performed by members of the collective.

These are the categories for observing leadership culture. To get started, look for leadership beliefs, practices, and tools.

What are beliefs in this context? Leadership beliefs are the assumptions, logics, and values that drive our actions and relationships. Beliefs can evolve in both horizontal and vertical ways. Both are necessary for the development of leadership culture.
What are practices in this context? Leadership practices are “the way we do things around here” in order to create DAC.

What are tools in this context? Leadership tools are handy portable rituals that get things done in the culture. Every culture has its particular tools for making shared meaning.

There are three categories of practices, with their associated beliefs and tools, to which to pay attention. The labels of these categories reflect a more developed state of interdependence, but the categories themselves (or their apparent lack) are manifest in any type of culture. See Figure 3.

- Collaborative work. How do people handle shared work, including work across social boundaries of various kinds?
- Strategic agility. How does the organization anticipate the future and respond to change?
- Public learning. How do people actively learn together when taking risks and making mistakes while developing and changing the organization together?

**Figure 3: Three Key Practice Areas in the Development of Leadership Culture**

![Figure 3](image)

**Begin to learn and practice four practical arts for the vertical development of leadership culture**

Four practical arts allow us to begin to see and evolve leadership culture: dialogue, creating headroom, boundary spanning, and inside-out development. Each of the resources and tools in this kit will support these arts.

1. **Dialogue.** Through inquiry and creative conversations, people are able to reflect on unquestioned assumptions and difficult topics, find common ground, and come up with multiple solutions that allow the best ideas to win.

2. **Creating headroom.** Organizations need to have the time, space, risk-taking, learning, and modeling to “lift up” the entire leadership culture to a new order of thought and action. This requires public learning in the collective, and slowing down to power up. With the headroom to explore, experiment, and practice, people are able to break out of old patterns and try new behaviors.
3. **Boundary spanning collaboration.** The art of seeing, bridging, and leveraging five types of group boundaries: horizontal, vertical, demographic, geographic, and stakeholder; all while moving toward more collaborative shared work.

4. **Inside-out development.** Focus on the vision, intuition, and imagination; on the values, assumptions, and beliefs; on the identity and emotions; and focus on the leadership logic or mindset of each individual as a natural starting place for human development to progress in the leadership collective.

### Paying attention to five principles of leadership culture change

These five principles have proven to increase the probability of success in leveraging the shifts required in leadership culture. These principles are practical when the firsthand mechanics of change management threaten to diminish or override the change leadership efforts underway more broadly in the leadership culture.

**Principle #1:** Change in the leadership culture is a guided, public learning process.

**Principle #2:** Senior leaders do the change work first, and in parallel with others.

**Principle #3:** Sustainable change is a continuous learning process embedded in the organization’s work.

**Principle #4:** Culture changes through advancing beliefs, practices, and behaviors aligned with systems and processes.

**Principle #5:** Organizations navigate complexity by developing collaborative capability.

### Beginning the journey of developing leadership cultures

To begin this journey, you DON’T need to be:

- An expert on the topic of leadership culture
- A world-class facilitator
- In charge

To begin this journey, it will help if you are:

- Curious, imaginative, and playful
- Eager to learn and able to make mistakes in public
- At least somewhat able to get your own ego out of the way, and really pay attention.
- Able to engage senior leaders in the collective in an open and honest way.

**So, are you ready? Let’s get started!**

More at https://www.ccl.org/articles/leading-effectively-articles/the-four-arts-of-interdependent-leadership-2/
An Overview of the Tools

Discovering Leadership Culture

In this section you will receive the tools you need to better see and understand your own leadership culture in new ways, through new insights. These tools, called “Quick” tools, are easily accessible, portable, and quick to use in both electronic and paper forms. These qualitative tools can quickly generate easy-to-use evidence and examples from discussion and group learning. The first stage of any culture development is the discovery learning process. The core of discovery is creating a baseline of data and evidence about the current state, and also about new capabilities needed for strategic change.

A simple illustration of this strategy and culture dynamic is the Leadership Culture GAP Analysis tool that fast-tracks an understanding of the feasibility of leadership capability to implement a strategy. The GAP tool can be used as a single sheet of paper with a few executives in the C-suite, or can alternatively be used as one electronic screen image in a discovery exercise with hundreds of people in a large hall. This flexible, portable, one-page tool can generate robust discussion and insight into complex organizational and business dilemmas, across a wide variety of settings, and with equal depth of insight from venue to venue, large-to-small.

The tools also serve as qualitative evaluation and research tools. They are fit-for-use mostly within the early, discovery phase of culture change work. They can also be used in a Time 1/Time 2 fashion to assess change in certain properties over time.
We have organized the tools into three sub-sections: Tools for Inquiry, Tools for Assessment, and Tools for Dialogue. You will see a brief description of each below. In reality, all tools can be used for multiple purposes and could likely fit across these categories. However, we offer this as one simple way to organize and think about the varieties of tools usage.

**Tools for Inquiry**

Our research in the realm of leadership culture shows that Public Learning is a key threshold in the willingness and ability of leadership to engage in essential culture change work. As discussed in section one, public learning is the tolerance for personal risk and ambiguity, as trust is built in the review of and analysis of mistakes and opportunities. Public learning is also where multiple right answers generate the best ideas to win, and where advocacy and egos diminish and withdraw. Inquiry exceeds advocacy and becomes a goal of discovery work.

These tools are here to help you engage openly with each other about questions, observations, and reflections rather than advocating for a solution. It is a process for becoming more open-minded, creative, and innovative in response to difficult challenges, paradoxes, and dilemmas. It is a group response to complexity that allows generative, both/and critical thinking to thrive rather than one right answer embedded in either/or thinking. These tools will assist you in opening minds and hearts, and toward an increasing shared curiosity.

**Tools for Assessment**

Different business challenges and related strategies require different levels of leadership capability to successfully respond. Change failures are predetermined by throwing managers into a change effort for which they are simply not ready. These Tools for Assessment are essential to help see and understand the levels of leadership capability and readiness for the strategic challenge at hand. The three primary objects of discovery and measure in this subsection are leadership culture levels of capability, organizational and business strategy, and the working styles of senior teams.

These tools will help you to see the capabilities of your group now compared to what the business strategy requires for a successful future. It is the measurement or estimation of the current state and the required future for the purposes of improvement. All of the tools in this section connect back to at least one of the three key capabilities associated with leadership culture (public learning, collaborative work, strategic agility), and many of them connect back to more than one simultaneously.

**Tools for Dialogue**

Dialogue tools are central to the discovery and learning process. They enable your groups to have required, challenging conversations that promote public learning. These conversations are creative, often open up about difficult topics, sacred cows, and in specific, the pathways to results that matter. The purpose of dialogue is to make sense together — to analyze, to gain knowledge, to become more ready to face and tackle challenges.
How to think about using these tools

With all of these tools to choose from, where you should you begin? Any and all approaches can be productive. Given our experience we will offer some guidance. There are a few key factors to consider. Let’s start with opportunities and constraints.

- What primary issues is the organization facing, and what are the levels of understanding and resistance?
- What type and size of groups do you have practical access to, and what are their motivations to proceed with discovery learning work?
- Are there established change initiatives and is culture and leadership a recognized part of their probabilities of success?
- How ready are people to have conversations about leadership culture?
- What resources do you have for promoting reflection and action?

Environmental context tells you a lot about culture. Tools for Inquiry might be useful if you are just getting started in exploring your leadership culture, helping people to become aware of themselves and others acting in the culture at the same time. You may want to simply start getting others to pay more attention, and get a high level sense of what is going on in the beliefs and practices of the leadership culture. Tools in the Assessment category are great for groups that are actually able to take a closer look at their leadership culture, and are motivated to pinpoint strategic opportunities to set new direction and strike new alignments. Finally tools in the Dialogue category may be best to use in situations where there are topics that have been undiscussable, and you are looking for some creative ways to surface assumptions and deeper conversations.

The following are a few brief situational examples that highlight different approaches to tool use.

**Situation #1: Transformation Required**

With a global services senior leadership team in a business crisis, they firmly believed that culture was part of the solution for struggling with an eroded sales pipeline. They thought the culture itself had led them into the predicament as much as shifting markets, and the culture of leadership was a primary way through and out. We dove straight into Assessment tools using the Leadership Culture GAP to introduce vertical concepts of capability plotted on a strategic field; then the Leadership Culture Indicators (LCI) to drill down into and isolate on a few key organizational change levers; followed immediately by the Strategy Line-Up tool to clarify alignment to strategic direction. Then the Team Workstyle Continuum related the team’s operating style directly to their reality of strategy and culture. These are the core of a first stage discovery process when transforming your organization.

With minimal framing, we very quickly helped them to get a better sense of what leadership culture capability meant to them, and to see where they were and the requirements needed to execute the sales strategy their business critically depended on. This exploration of leadership and organizational practices surfaces the key beliefs that drive unconscious decisions and perpetuate practices.
The **LCI** is designed as a strategic tool, forcing selection of a few items/factors critical to strategy. After several months of working on these key organizational factors of the LCI, we introduced the **Leadership Culture Rubric (LCR)**, the vertical corollary that explores interpersonal interactions.

As the team was zooming in on critical belief and business practice changes, the importance of interpersonal practices of feedback and risk-taking emerged as core to their public learning process. The **LCA** helped them to see in more depth the kinds of changes they needed to be personally working on in order to professionally grow the business.

As time and the team's development work progressed, they were also introduced to the **Six Box tool**, a process to make beliefs and assumptions that have perpetually driven decision-making more conscious. Through this method the team was able to isolate and focus on just a few key new beliefs that engendered new practices across the culture and enabled robust strategy implementation.

**Situation #2: Incremental Change**

With a government services senior leadership team embedded in a forced retirement crisis at the top, a focus on succession was primary while culture and change was a substantial but longer-term goal. Inquiry tools for broad and deep exploration seemed to be the best place to start pathways for discovery.

The **Walk-About tool** was useful for an initial launch to trigger and heighten awareness of culture. Executives participated by paying attention to their day-to-day environmental surroundings, and through participating from multiple and different perspectives. Combined with a prototype development program aimed toward changing and developing more robust leadership roles, the **Walk-About experience first provided individual observation and reflection of the environment.** Next, discussion and sense-making of individual examinations aligned a collective experience. Finally, perspectives of business purposes were created in contrast to the business and people realities found. This slow-paced, thorough, and thoughtful perspective-taking enabled an ease of access and entry into seeing, hearing, and feeling their leadership culture firsthand, from three very different perspectives (individual–subjective, collective–sense-making, objective–analysis).

This approach, combined with other Inquiry tools for exploration, and in conjunction with core **Dialogue tools**, enabled deeper encounters with the strong culture that had previously seemed theoretical. When eventually combined with a traditional programmatic development engagement, this combination of tools created a robust pathway to next steps in the development of their leadership and business strategy in combination. Additionally, the analysis of collective program data, in the context of their culture discovery work, provided an important information platform for the design of a next-step future culture and change initiative.

**Situation #3: Readiness for Change**

An international media products company was curious about how or whether to invest millions on systems and process changes, much in management consulting led services. But they were not sure what to think of all the expert advice, or who to believe about what they needed to do in the face of radical technical changes in the industry. A regional senior team, embedded in the operations division, decided to conduct a trial run-through of the newly emerging strategy. Leadership Culture would be a core part of the litmus test. Top of mind was improving the probability of success in uncertain conditions.
A design was created utilizing many of the leadership culture tools from all three sub-segments of the Quick tools: Inquiry, Assessment and Dialogue. The design called first for substantial on-site discovery work (using aspects of the Culture Walk-About tool), then a two-day workshop of key stakeholders, followed by a reflection, dialogue, and decision process owned by the senior team. The on-site work used interview, focus groups, and other group processes (such as the Fishbowl) to generate data; and the workshop consisted of tools-based discernment processes about a culture required to implement the strategy. The third, post-workshop phase, was about the senior team and stakeholders making judgments about their readiness to proceed with the change management work.

The value in their approach was to decide not to proceed with large-scale technical change at all. They determined that the beliefs and practices in their leadership culture simply was not operating at a level of capability for the changes from the experts to work — to stick. Rather, they decided on an incremental prototype and test technical operation (business) strategy while monitoring and learning from the operations changes. In parallel, their work on the leadership culture provided a readiness pathway for large-scale change in the future with a better probability for success. This decision saved a great deal of money and avoided imminent failure in change management initiatives.

**Tip:** When you see the Tool Icon, that means there is a corresponding card deck or laminated poster in the toolbox.
TOOLS FOR PROMOTING INQUIRY
Culture Walk-About

Background
The hallmark of ethnography is guided by the concept of culture; it is an observation and interpretation of what people say, do, and believe. In *How Culture Works*, L. Bohannon defines culture as “the tools and meaning (beliefs) that extend learning, expand behavior, and channel choice.” Choices made in cultures are the mediator, or translator, that lies between beliefs and behavior. In this sense, culture is both beyond our awareness and yet shapes our awareness.

An organization’s artifacts, (language, rituals and structures) are, therefore, the manifestations of those choices made in organizational leadership cultures. These forms, when viewed dispassionately, may suggest patterns of beliefs and values revealed through layers of decisions made over time by the organization. Ethnography is practiced in both observation and engagement in cultures. Observations can be conducted at any time, but engagement usually requires long-term contact and interactions with people that build trust.

Purpose
The *Culture Walk-About* tool is an approach to understanding the possible forms and patterns of a culture revealed by its artifacts, language, rituals, norms, shared meaning, and even the organization structures and physical environment that it produces and inhabits. Because it produces only a series of impressions derived primarily from observations, its value will be in using the data in combination with multiple other data sources. However, when feasible, it is best to explore the deeper meaning and beliefs underlying what is being observed.

How To Use The Tool
This tool is a simple outline that suggests what and how to observe, engage with the people (however brief), and the recording of findings. Paying attention is required, and in particular paying attention from right and left brain modes, and including kinesthetic attention and attention to negative space. Being fully present and also being both deeply aware of intuition, and being dispassionate and five senses-based, the observer will alternate between a wide-angle lens and the precision of a telephoto lens. The tool can be used by a practitioner who may be external to the organization, or by individuals within the organization who want to practice developing a keener sense of awareness about the culture around them.

Observe and describe: the observer will note the tool’s outline below and record what they see as accurately and descriptively as possible. Where interaction with people in the culture is available, explore the meaning of what is being observed, and record those interactions in the context in which they have occurred.

---

What to Observe

Physical Environment

- The physical plants, buildings, and working environments. Pay attention to how environments change and are in relation to each other. What is the working space like — windows, walls, closed or open? Describe who (people from what part of the organization) houses them and what activities are enacted. Do the different environments reflect organization divisions, sub-cultures, or hierarchies?

- Look for artifacts, art, carpets or concrete, living things (sunlight, plants, etc), bulletin board contents, signage and slogans, recognition systems reflected, and official brochures for sales or stakeholder reports, etc.

- Explore to the degree possible, what beliefs are externalized and what are internalized. For example, if work slogans or corporate values are prominently displayed on signs, seek opportunities to engage people in inquiry about what is being espoused versus what is in action.

Cultural Beliefs and Practices

- Describe the language – usage levels of acronyms, technical, theoretical or philosophical, grade-level of language. Explore language that seems particular to the place.

- Organization philosophy – observe and look for both written and stated mission, vision and values of the organization, explore the stated belief systems and engage people where feasible in views about any gaps in stated versus enacted philosophy.

- Observe ritualized interactions – this can include unique shared language, conduct in meetings, email practices, levels of isolation versus interaction, use of common space or nature of social manners in use.

- Shared meaning – how is it made, practiced, renewed, and changed through recurring patterns of behavior.

- Rules and norms – explore how social rules and boundaries are set and maintained by reviewing written or expressed norms and values (stated theories), and where possible compare these with observable patterns of behavior (theories in use).

Structure

- Seek artifacts that represent organization structure such as organization charts. Note if no such artifacts exist and what is said about finding and sharing them.

- Pay attention to the organization structure as an extension of the organization philosophy and beliefs — is it a logical manifest alignment to beliefs? Does it run counter to stated philosophy and values? Is it conventional or post-conventional?

- Notice the physical offices and meeting spaces; what do they reveal about relationships and hierarchy if at all?
Guidelines for How to Observe and Make Meaning

Understanding Culture – The Reflective Learning Process

We refer to intentional, reflective, curious, truth-seeking, imaginative, playful, collaborative, action-oriented forms of social dialogue as Public Learning. Our observations and interactions can hold, synthesize, and advance three perspectives that are fundamental to constructing the human realities of organizational Leadership Cultures:

1) **First-person perspective** is personal and based in individual experience, reason, emotion, intuition, etc. as “My view,” 2) **Second-person perspective** is mutually constructed in relationships as “Our view,” and 3) **Third-person perspective** is about objective, verifiable, material facts as “Data view.”

These three perspectives come together in the conversations and dialogue we have with each other. Public Learning is the experience of intentional dialogue applied in real-time to strategic organizational leadership culture work. Public Learning is both serious and playful, entertaining “both/ands” and reconciling multiple truths. Emotional intelligence flourishes in this process.

**Recording data:** Prepare to use a disciplined process for learning. Write down observations and interactions as soon as possible using rich, descriptive language. Choose the format for recording data that you are comfortable with, and include the three categories of Physical Environment, Cultural Beliefs & Practices, and Structure, and record in the three dimensions below of first, second, and third person.

- **First Person**  
  Record the impact that your experience has had upon you personally; your impressions, reflections, thoughts, and feelings.

- **Second Person**  
  Make time for discussion/dialogue about your experiences in using the tool together; start with stopping and reflecting, jot down your thoughts, then report to the others in your groups the reflections of your experience(s). THEN: Record a) the experience shared between and discussed with other observers; and b) any relevant social exchanges you’ve experienced with people from the organization.

- **Third Person**  
  Record your observations of what he, she, and they did; and what it is; this view will be the most objective view you can marshal, describing the data of what you have noticed by what your senses have revealed to you.
Storytelling for Transformation

Background

The beliefs and practices shared within leadership create the potential and limits of leadership's capability to perform. The power of Leadership Culture is captured, held, and released in its stories. A story is truth. A story is reality wrapped in emotion that can compel us to take action and transform the world around us.

Stories are narratives that carry knowledge of our experience. Our stories help us create pictures that enable us to collectively make sense of our values and beliefs, and also to carry forward the important knowledge about progress in our societies.

Because stories link us to deeper organizational realities of culture, politics, beliefs, and practices, they are also important vehicles for creating changes in organizational direction. Just as a tribe, village, or country uses myth, imagery, and stories to convey key reasons for past change, leaders can craft stories for the same purposes.

Purpose

As competent human beings, we are mostly unconscious and unaware of the culture we live in, like fish in water. We are not usually conscious of our Leadership Culture in the moment. Yet culture can make or break a strategy. This tool helps us become more conscious of the underlying beliefs that we hold individually, and collectively, that determine our leadership culture.

To start a culture change all we need to do is two simple things:

1. Do dramatic story-worthy things that represent the culture we want to create. Then let other people tell stories about it.
2. Find other people who do story-worthy things that represent the culture we want to create. Then tell stories about them.

Peter Bregman, Harvard Business Review

Stories can reveal the hidden dimensions of an organization and are therefore essential for the management and leadership for changes in direction. They reveal emotional and political norms and beliefs not normally spoken of directly. They are a view into the half of the organization not seen in spreadsheets, operations reports, and strategy documents. The purpose of Storytelling for Transformation is to guide your Leadership Culture through a methodology for creating Beliefs in Action stories, and a process for harnessing their power in changing Leadership Culture.

Just like words can mean different things to different people, so can beliefs. If you want to pass on beliefs to your team, start by defining what those beliefs mean to you. So, if you want your team to demonstrate a high level of customer service, then tell a story that reveals exactly what customer service means to you.²

² For more story-telling tips: see The Storytelling Coach by Doug Lipman (August House, Little Rock, 1995)
Beliefs in Action Stories can hold various themes. Some stories are dominated by one theme while others can carry multiple themes. When you are thinking and feeling about telling a story, consider the various kinds of themes you want to include such as:

**Stories of Success** – An example of a successful activity to create a feeling of possibility, increase trust, and communicate values. Highlights what has happened as a result of living our beliefs.

**Stories about Change** – An example where the change already has occurred to create understanding and motivation regarding how to live the key beliefs.

**Stories with Vision or Springboards for the future** – Envisioning a future state to create understanding and motivation about the beliefs. Helps the listeners to envision “What if?”.

### How to Use the Tool

There are two different things you can do with this tool.

1. You can use it to bring out others’ stories.
2. You can use it to repeat stories throughout a group or organization.

#### 1) Bringing out others’ stories

To solicit Beliefs in Action stories from others, ask a great question. Here are some examples:

- A member of my team taught me about our core beliefs by telling a this story — Would you be willing to tell a similar story about your team/business unit that shaped your leadership beliefs?

- Please tell me about your best/worst organizational experience and why? What role did collaboration or competition or conformance play in it?

- Would you be willing to share about a recent time in the organization that you felt absolute success? How did you respond when that happened? What was the sense of trust between people in sharing the success?

- Tell us a story about when working together with others really worked — when everyone felt total ownership of the organizational outcomes. Why did you work together, what did you decide to do (differently), how did the work happen, what got created?

- Let me tell you a story about what happened in this big change effort and why I think it worked instead of failed. Do you have a story that you can share in kind?

- What really works/does not work in this organization? Can you share a story to illustrate?

- Can you remember a time when beliefs shifted from one belief to another; what external (market) change happened that made the internal (belief) change necessary?

- Got a story about personal growth, learning, change, and the difficulties and breakthroughs that happened? What changed in you?
(2) Identifying, selecting, and repeating your most significant Beliefs in Action stories

Storytelling for Transformation is a process that identifies and reports stories from within the operation, then uses the senior team to select the best Beliefs in Action stories from across the organization while documenting their reasons for choices, and then redistributes the stories for the telling — repeating the stories in action over and over again, across the enterprise.

The identification of old beliefs that no longer work, and the selection of new beliefs required for the Leadership Culture to function effectively into the future, is embedded in the storytelling process. Sometimes the beliefs are identified before the story has been generated, and sometimes after as the beliefs are a result of the storytelling itself. The generation of new beliefs to work toward and old beliefs to shed can precede a story or follow it — what matters is the feature in the process of identifying, selecting, and repeating the Beliefs in Action stories.

Identifying

- In the recent past, what is a specific example of how leaders are living the new beliefs and practices we need for transformation?
- Why is the story significant to the team?
- Which of the **key beliefs** are reflected in the story? Which belief does the story best illustrate?

Selection Key Steps:

- Every senior team member reads the stories (reading the story out loud is preferable)
- The team engages in dialogue about which top three stories should be chosen
- The team decides which stories are most significant
- The reasons for the group’s choice(s) are documented
- A distribution plan is established with key storytellers assigned
- Repetition

Demonstrate Storytelling in Different Venues

- Guide the originators of the story to share more extensively
- Monitor the activity, pay attention, and evaluate the impact

Beliefs in Action Stories Examples

**EXAMPLE #1**

Bill Foster, a financial consultant in the Dallas Executive District, recently went out of his way to help a client, resulting in several million dollars of new stock coming under the firm’s management as well as the widening of a great relationship.
In January 2009, Bill first met the client at the Dallas Services Club Annual convention, of which RAC was a major sponsor. Impressed with the firm’s commitment to the community and of Bill’s business, the client opened a $1 million advisory account soon thereafter. The client relationship grew over time into a friendship, with Bill getting to know the client’s family as well.

While the client and his family were recently traveling through Europe, his financial stock owned and held at another firm dropped in value by nearly 50 percent. Since Bill knew that the client owned over 400,000 shares of the stock, he called the client’s cell phone, office, home — even his personal assistant’s home — leaving a “911” message notifying him about the problems the stock was experiencing in the U.S. When the client returned to the U.S., he immediately called Bill at 9:00 p.m. to get an update on the situation. Bill expected him to request money from his RAC account, but the client instead informed Bill that he decided to move the 400,000 shares of stock over to him. He went on to explain that while he had done business with his other broker for over 25 years, the broker made no effort to contact him when his stock started to plunge.

In effectively evaluating the client’s situation and putting his interests first, Bill showed that going the extra mile can deliver big results. His quick thinking and persistence resulted in a big win for the firm, as well as the strengthening of a great client relationship. [Based on an “RAC” newsletter]

EXAMPLE # 2

After Hurricane Katrina hit in the fall of 2005, Jerry had a global meeting where he brought everyone to New Orleans in January. We stayed at the Ritz Carlton and we were the first company to be in the hotel since Katrina. Jerry wanted people to know we were in this together as a company and for New Orleans. We as a team (200+) went out to Barrows Stadium where the city’s little league baseball games are played. After the hurricane it was under 6 feet of water. That day we worked, we all put on the same t-shirts, gloves, etc. there was no hierarchy — and we completely renovated that stadium. We hauled in dirt, we cleaned the stadium out. We also bought all new equipment and instruments for a prominent high school marching band that lost everything in the hurricane. Mayor Ray Nagin came and spoke to us and then the high school band played.

The Ritz Carlton hotel employees gave us a standing ovation when we came back.

This event sealed the relationship with these 200 people — we were there hand in hand, helping each other. The message from Jerry was, “Not only are we doing this today — but this is how we need to be every day at work.”

People talked about that event for the longest time and still bring it up. [Based on a firsthand account]
DAC Survey

Background

More than ever, in our fast-paced and interconnected world, teams, organizations, and even societies feel the need for more and better leadership. Beyond just a focus on (only) the individual (heroic) leaders in organizations, at CCL we think it is important to examine how the whole organization is involved in making leadership happen through the interactions and exchanges among people with shared work and a focus on collective leadership. Regardless of the collective doing the work, for leadership to happen, the interactions and exchanges among people with shared work need to yield the following outcomes:

- Agreement of what the collective is trying to achieve together (Direction)
- Effective coordination and integration of the different aspects of the work so that it fits together in service of the shared direction (Alignment), and
- People who are making the success of the collective (beyond their individual success) a personal priority (Commitment).

However, there are many different ways that these outcomes can be achieved. How Direction, Alignment, and Commitment are achieved will be determined by a group or organization’s leadership culture.3

Purpose

Organizations concerned with leadership want to understand what it is and whether they have enough. A best estimate comparison of the total production of direction, alignment, and commitment your Leadership Culture produces can be useful. This quick and easy assessment can be used as a first step to determine which leadership outcomes to focus on.

How to Use the Tool

Follow instructions on the DAC Survey. Be clear in your instructions whether you would like people to assess their specific work group or the entire organization.

Total the scores: individually and/or composite scores for the group/team or organization.

Discuss the implications of scores for your comparative capacity/capability of DAC

---

Direction, Alignment, and Commitment Survey

Instructions: Darken the number that indicates the extent to which each of the following statements describes the way things stand right now in your organization. The terms we, our, us and everyone in the statements refers to members of your organization.

<table>
<thead>
<tr>
<th>Direction</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>We agree on what we should be aiming to accomplish together.</td>
<td>1</td>
<td></td>
<td></td>
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<tr>
<td>We have a clear vision of what the organization needs to achieve in the future.</td>
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<tr>
<td>We understand what success looks like for this organization.</td>
<td>1</td>
<td></td>
<td></td>
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<tr>
<td>We have organizational goals that guide our key decisions.</td>
<td>1</td>
<td></td>
<td></td>
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<tr>
<td>We have strategic priorities that help us focus on the most important work.</td>
<td>1</td>
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<td></td>
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</tr>
<tr>
<td><strong>Total</strong></td>
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<table>
<thead>
<tr>
<th>Alignment</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our work is aligned across the organization.</td>
<td>1</td>
<td></td>
<td></td>
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<tr>
<td>Although individuals take on different tasks in the organization, our combined work fits together.</td>
<td>1</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>The work of each group is well coordinated with the work of other groups.</td>
<td>1</td>
<td></td>
<td></td>
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<tr>
<td>People who perform different roles or functions in the organization coordinate their work effectively.</td>
<td>1</td>
<td></td>
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<tr>
<td>People are clear about how their tasks fit into the work of the organization.</td>
<td>1</td>
<td></td>
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<tr>
<td><strong>Total</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Commitment</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>People in the organization are committed to the organization.</td>
<td>1</td>
<td></td>
<td></td>
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<tr>
<td>We take responsibility for the welfare of the organization.</td>
<td>1</td>
<td></td>
<td></td>
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<tr>
<td>We make the success of the organization—not just our individual success—a priority.</td>
<td>1</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>People are dedicated to this organization even when we face setbacks.</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We put what is in the best interests of the organization first.</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
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</table>
6 Box: Discovering Beliefs that Drive Outcomes

Background

The 6 Box tool, from Bill Torbert’s work on vertical development,⁴ is based on the theory that development is embedded in a process of action and reflection. The tool’s method explores individual and organizational leadership beliefs as the cause of behaviors and practices. Practicing with this tool helps individuals, teams, and the organization become more capable of making future visions come true, become more alert to the challenges and opportunities of the present moment, and become more capable of long-term high performance.

Purpose

Beliefs drive decisions, and repeated decisions drive practices. And so the maxim: If you want best practices you need best beliefs. But the role of beliefs in most leadership decisions is unconscious—we become unconsciously competent in our decision-making when our beliefs have been proven effective over time. However, when reality shifts (such as market or competitive conditions) the “truth” of our old beliefs may become faulty. This means that we need to test the validity of old beliefs. The 6 Box tool provides a process for the development of a team through the exploration of embedded, shared leadership beliefs. When followed as a disciplined leadership practice, the 6 Box process can increase the timeliness, scope, and effectiveness of teams in action.

How to Use the Tool

The 6 Box is a step-by-step walk-through of actions that have previously occurred. Similar to an after-action review, the 6 Box process is a “walk-through” that tells us what actually happened versus what we wanted to make happen. Four communication steps — frame, advocate, illustrate, inquire — looks at how we communicated, and how we might communicate our thoughts and intentions more effectively the next time.

• Begin by identifying something specific that has happened with the group, in which the desired outcomes were not achieved — something went wrong — and that you wish to learn from for future improvement. It could be a meeting, dilemma, conflict, mistake, decision, or other undesired outcome that has occurred.

• The facilitator asks the team these 6 questions in this specific order: “In this past event what were the: 1-desired results, 2-actual results, 3-actual behaviors, 4-actual beliefs, 5-desired beliefs, 6-desired behaviors?” See the 6 Box grid on the next page. The facilitator can either use the 6 Box on a flip chart or just list the 6 questions and go through each question one at a time. If the team you are facilitating tends to jump around in its conversations, the list approach may provide better focus for each question than the 6 Box model that follows. Record the team’s responses to each question on a flip chart.

• Provide a focus for the team to see/feel/hear how unchecked beliefs drive decisions and behaviors. Review the data and focus explicitly on what actual beliefs were behind the actual behaviors and results. Then focus on what required beliefs could have altered the choices and how the course of events could have played out differently. This creates a field of learning about how the team can be more conscious of its beliefs the next time in a similar challenge or dilemma.

• The aim is two-fold. First, the aim is to understand what beliefs and actions may produce the desired outcome in the future, and, to understand how actual beliefs may continue to produce undesired outcomes unless they are confronted and change.

• Some groups are more capable than others in having this kind of difficult conversation in which public learning is involved. If the group needs coaching in this area, use one of the dialogue and reflection tools in this toolkit such as the Dialogue tool, or Putting Something in the Middle (e.g., Visual Explorer).

Source: Bill Torbert & Associates
Leadership Essentials for Change™

Background

Leadership Essentials for Change™ (LEC) is a set of 18 key frameworks & big ideas for change leadership. The format is essential — brief, clear, and universal, so that the ideas are portable, sharable, customizable, and scalable. LEC is translated into many languages, for all age levels, for a variety of social contexts. The frameworks engage levels of leadership ranging from the individual, groups, organizations, and communities to larger societies. Topics include for example DAC, Social Identity, Learning Curve, Networks, Vertical Development, Leadership Culture, and Leadership Strategy.

Purpose

The purpose of LEC is to promote widespread human development, and capability for positive change, using viral (easily shared) memes. The LEC card deck format presents one idea per card, and is useful for coaching, classrooms, design sessions, just-in-time facilitation, and for training-the-trainers in leadership development contexts. LEC is a tool for democratizing leadership development.

How to Use the Tool

There are many ways to use this tool, ranging from personal study to systems transformation. LEC works well in leadership culture development, by helping an organization test, customize, and spread tools and ideas among its members that may be the building blocks of the leadership culture.

Often LEC cards are given to participants in a workshop in notebook or card deck form as a take-away. They work well in design and strategy sessions when they are put into the middle of a dialogue about change leadership. They work well as replacements for PowerPoint presentations, since the ideas are meant to be easily drawn by anyone on a chart, wall, or “in the sand with a stick.”

See the support blog at www.ccl.org/Essentials for more information.

LEC is based in CCL’s Research and Development department, in the area of societal advancement and organizational leadership, including frameworks we have adapted via collaboration, permission and/or fair use.
TOOLS FOR ASSESSMENT OF LEADERSHIP CULTURE
Leadership Culture Rubric

Background

The beliefs and practices of a leadership culture drive organizational outcomes of leadership — direction, alignment, and commitment (DAC). Because leadership cultures are the source of DAC, it is necessary to advance those cultures in organizational change, and therefore transformation needs to include a deep understanding and measurement of progress over time.

There is a hierarchy of leadership cultures, and each advancing culture is more capable of dealing with greater complexity, more ambiguity, and increasingly difficult challenges. A complex business strategy requires an appropriately developed culture capable of implementation. An interdependent-collaborative culture has capability greater than a dependent-conformist culture. This tool begins to identify the current culture and the future required culture to implement the organization’s vision and strategy.

This tool is designed to help you have insightful, informed conversations about shared leadership cultures that complexity requires. This tool portrays five different types of leadership. It is not expected that any one type will match a group completely. Typically, a leadership culture is a unique blend of several types. However, most groups will be able to determine which type of culture represents the closest match.

Purpose

The purpose of the Leadership Culture Rubric tool is threefold:

1. First, the tool determines what your culture is like in four Key Practice areas: a) practicing feedback, b) engaging in risk-taking, c) managing conflict, and d) doing decision-making. The aim is to know how it is usually or most often — what is typical.

2. Second, the tool generates insightful dialogue about both the current culture and the future culture required by the organization. Identifying this gap can assist teams and the organization to recognize specific leadership capabilities requiring development and to pinpoint the best leadership strategy to assist in getting there.

3. The tool will also be used to assess changes in the leadership culture over time.

How to Use the Tool

Prepare Materials:

- Print a copy of the LCR tool for each person in the group
- Prepare 1 poster-sized LCR tool to hang on the wall: arrange for shipping or print locally
- Tri-colored highlighters or an assortment of markers in three colors
- Sticky dots
Step 1: Group Definition

Many statements in the tool use the terms “we” or “our,” so participants need to agree on what group(s) or what parts of the organization they are focusing on during the exercise. Also, a general agreement of the groups’ direction and goals is important for the exercise, so clarify your strategic imperative or vision for the future. Assemble the participants into a group and a) clarify your group boundaries and membership and b) clarify your strategic direction and goals.

Step 2: Individual Reflection

Each participant in the exercise receives both a copy of the individual rubric tool to review and three colored highlighters or markers. Ask participants to read the rubric and: (1) using green, highlight statements that best represent your leadership culture, (2) using yellow, highlight statements that happen in pockets and somewhat represent your culture, and (3) using red, highlight statements that do not at all represent your culture. This exercise serves as an individual’s preparation time. It allows each person to become familiar with the ideas and to reflect on where each person thinks and/or believes the whole group currently stands.

Step 3: Group Scoring and Discussion

Each individual then brings his/her highlighted copy of the rubric tool with them as the participant group re-assembles around the LCR POSTER that is placed on the wall. All participants need to stand around the poster and remain on their feet throughout the exercise.

Each person should take four sticky dots and indicate or score on the poster which level (One, Two, Three, Four, Five) best describes the current state in each of the four Key Practices (rows). Participants use four sticky dots (one on each row) to indicate on the poster what statements best represent the leadership culture in their individually scored LCR.

Group members should then discuss their reasoning for how and why they chose levels and seek to reach consensus. Group members should discuss each of the four practices separately. When the group reaches a consensus decision, capture the level on the poster that best represents each of the four practices with a highlighter.

Facilitation Tips for Group Discussion: from Discussion to Discernment to Dialogue

- Be specific. Tell stories and give examples.
- Create a story of what is occurring within the group.
- When there is disagreement, encourage specific examples to probe more deeply.
- Seek other perspectives: What would others not in this room see or say?
- Seek multiple perspectives and multiple right answers.
- Take notes. Assign a recorder to record the experience for the group.

OPTION: Draw an “iceberg” on a flip chart. The top layer is behaviors and procedures that are readily observed. The part below the surface is the underlying beliefs and assumptions that (unconsciously) drive the common practices and mindsets that shape the culture. Discuss.
Step 4: Development Dialogue

With a broad consensus about the current state, it is important to assess whether this is sufficient to make progress on the group’s goals and strategic imperative. On the same poster, group members should a) indicate the four practice levels necessary to meet your strategic imperative — this represents your required state; mark this level of practice area with sticky dots (preferably a different color dot). And, b) with a red marker or highlighter, circle the one practice area (of four) that is most critical for success.

Group members should now collectively engage in how to shift toward this required state that has been collectively discovered. Use blue sky techniques, design thinking, and brainstorming. As the group progresses, move further into a collaborative inquiry. Encourage your group to think about serious challenges to old habits; explore current embedded beliefs and practices that will have to give way, and what needs to be done differently in order to advance and reach the group’s strategic goals. The dialogue could advance by bringing in examples mentioned in the previous current state discussion. The same note taker should now write down any potential solutions.

Following this exercise, your group should have not only a concrete idea about what the current state is, but also emerging ideas about where to shift and what is necessary to get there. The group now needs to assign the work of recording and documenting the discovery of requirements, the discussions of gaps, and the dialogue about the transformational journey ahead.

Finally — Keep the POSTER: you will re-use it to 1) remind you of where you started, 2) as a cultural artifact on your learning journey, 3) and in later exercises to assess and measure progress. Keep the physical poster and take pictures for electronic storage.
## Leadership Culture Rubric

<table>
<thead>
<tr>
<th></th>
<th>One</th>
<th>Two</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Feedback</strong></td>
<td>We value group cohesion, or the appearance of cohesion. Group-defined norms and the desire to not be perceived as out of step drive values and actions.</td>
<td>We value expert knowledge. Analysis of data drives decisions. Technical issues are the main focus. Leaders tend to be the most competent or respected experts.</td>
</tr>
<tr>
<td><strong>Risk-Taking</strong></td>
<td>FEEDBACK IS ABOUT FITTING IN</td>
<td>FEEDBACK IS ABOUT CORRECTING ERRORS</td>
</tr>
<tr>
<td></td>
<td>We are reluctant to tell others when their actions or performance negatively affects us. We value group agreement and face-saving over directness that might impair relationships or group cohesiveness. Feedback is given privately or as encouragement to follow established norms.</td>
<td>We provide feedback for task-related learning, improvement, and striving for excellence. Our feedback focuses on facts and standards. We primarily accept feedback from those with expert knowledge and high status within the group.</td>
</tr>
<tr>
<td><strong>Conflict</strong></td>
<td>RISKS ARE DISCOURAGED</td>
<td>RISKS ARE METHODICAL AND INCREMENTAL</td>
</tr>
<tr>
<td></td>
<td>Open risk-taking is discouraged. We follow established practices to meet expectations. New ideas are often dismissed early on if they risk group cohesion. Only the people with power take any risks.</td>
<td>We value established protocols and methods. Risks are tolerated when they are technical experiments or can be backed up by proven processes. We deviate from technical standards only to learn from errors.</td>
</tr>
<tr>
<td><strong>Decision-Making</strong></td>
<td>OPEN CONFLICT IS AVOIDED</td>
<td>CONFLICT IS OVER TECHNICAL ISSUES</td>
</tr>
<tr>
<td></td>
<td>Open arguments are uncomfortable and avoided in order to protect reputations and relationships. Disagreements are resolved by authority figures in order to evade interpersonal conflict.</td>
<td>Conflict can be useful for surfacing differences in perceptions where data and analysis can yield a “right” answer. We are cautious about challenging the group’s “experts” and seek to protect our own interests.</td>
</tr>
<tr>
<td><strong>Decision-Making</strong></td>
<td>TOUGH DECISIONS ARE MADE AT THE TOP</td>
<td>TOUGH DECISIONS FOLLOW ESTABLISHED PROTOCOLS</td>
</tr>
<tr>
<td></td>
<td>People at the top, or those with power, make key decisions. Decisions align with tradition and custom. Tough decisions tend to be cautious and conservative.</td>
<td>Key decisions are based on expert knowledge and data analysis. We take our time and analyze facts to make careful decisions, often delaying or prolonging a final decision.</td>
</tr>
</tbody>
</table>
### Three
We pursue achievement through increasing responsibility. Both personal and group accountability are emphasized. We unite diverse expertise to achieve a common goal.

### Four
We seek innovation by reframing assumptions or finding unusual solutions. Individuals with strong points of view engage other strong individuals in dialogue. Paradoxes and polarities are managed.

### Five
We seek transformation through collective action. Disruption is intended. Intentional, strategic, transformative practices bring together experts, achievers, and redefiners in new ways of working. Paradoxes and polarities are tools for progress.

#### FEEDBACK IS ABOUT SUCCESS
We openly tell others when their actions or performance has a positive or negative effect on others. Feedback is provided both at the individual and system level. We appreciate multiple perspectives and are open to learning new ways of doing things.

#### FEEDBACK PROVIDES DIVERSE POINTS OF VIEW
We regularly encourage people to speak their minds about successes and areas for improvement. We value feedback to maximize performance as well as for learning and development. Our groups trust each other, and feedback occurs across lines of hierarchy for the good of our group/organization overall.

#### FEEDBACK INTENTIONALLY CREATES DISRUPTION
We value feedback from outside the boundaries of our group/organization, including competitors. Nothing and no one is out of bounds for giving or receiving feedback. We welcome feedback that considerably challenges the status quo.

#### THE RISK IS EQUAL TO THE REWARD
Individual leaders calculate risk based on the benefit of individual functions or their own situations. We are motivated by ambition and to make ourselves or our functions the best they can be.

#### RISK IS OPPORTUNITY FOR IMPROVEMENT
We accept risk-taking and non-conformity to the way we’ve always done things. We deliberately challenge the status quo in order to improve or reengineer the business processes and systems. We encourage non-conformists and entrepreneurs to pursue new ideas that could exceed current job responsibilities.

#### RISK- TAKING IS ESSENTIAL TO THE CULTURE AND STRATEGY
We expect, look for, and promote bold ideas. Taking risks is considered common and believed to be necessary for creative, transformational disruptions to the business and/or the industry.

#### CONFLICT IS A NECESSARY FRICTION BETWEEN DIFFERENT FUNCTIONS IN A COMPLEX SYSTEM
We often engage in “healthy debates” with our peers and can resolve our differences with compromises that safeguard all parties involved. Arguments emerge from wanting to protect individual or functional status and territory.

#### CONFLICT IS REFRAMED AND HARNESSED FOR INNOVATION
We value expressing and exploring conflicting viewpoints to entertain new questions and possibilities. Conflict is deliberately used to bridge silos and create useful new ideas. Engaging in conflict generates multiple right answers and is more about the good of the whole.

#### CONFLICT IS PART OF RADICAL CHANGE
We use conflict to resolve challenges, promote revolution or disruption, or create something that has never been done before. Conflict is essential to transformation and is included in our public dialogue. We are committed to change at multiple levels (e.g., organization, industry, society).

#### TOUGH DECISIONS REQUIRE NEGOTIATION AND COMPROMISE
Decisions are reached through negotiation and mutual influence. Tough decisions require compromise, and many decisions are made in the best interests of individuals or functions. We often advocate only for the views that support our own positions.

#### TOUGH DECISIONS INVOLVE CREATIVITY AND CONSENSUS
Tough decisions are reached in collaboration with key stakeholders. We actively seek diverse and even disruptive perspectives. People reach decisions together by finding creative solutions.

#### TOUGH DECISIONS ARE MADE LOCALLY AND INTEGRATED WITH THE WHOLE SYSTEM
We trust all levels to make key decisions. Tough decisions are made locally AND with a deep awareness of the complex systems that will be affected within and beyond the organization.
Leadership Culture Indicators™

Background

The beliefs and practices of a leadership culture drive organizational outcomes of leadership — direction, alignment, and commitment (DAC). Because leadership cultures are the source of the outcomes of DAC, it is necessary to advance those cultures as part of an organizational change and transformation process. There is a hierarchy of leadership cultures, and each advancing culture is more capable of dealing with greater complexity, more ambiguity, and increasingly difficult challenges. When an advanced and complex business strategy requires implementation, an appropriately advanced culture must be developed capable of that implementation. This tool was developed in order to identify the current culture and the future culture required to sustain an organization for the long term. The Leadership Culture Indicators™ tool is the result of several years of action research in client sites engaged in organizational transformation efforts.

Purpose

The purpose of the Leadership Culture Indicators Tool (LCI) is to identify both the current and the future culture required by the organization. Identifying the gap between the current and a required future culture can assist teams and the organization to a) discover and clarify the beliefs and practices inherent in dependent, independent, and interdependent leadership cultures, b) develop a leadership strategy in alignment with the business strategy, and c) identify specific leadership attributes that require development. Attributes include an organization’s systems, identity, and its organizational, collective learning.

How To Use The Tool

The tool can be used by individuals or groups. For individual use simply pass out copies of the tool and have participants follow the instructions.

For use with groups, make poster size print-outs of ONLY the 14 indicators. In group use, seek consensus from groups of 10 or smaller on each item. The group facilitator will use both the instructions embedded at the beginning, and the scoring and reflection instructions at the end of the tool that follows.
<table>
<thead>
<tr>
<th></th>
<th>Information</th>
<th>Focus</th>
<th>Talent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong></td>
<td>Information is shared openly with all employees</td>
<td>Focus is on the whole organization and on the larger society</td>
<td>Talent is managed for the future strategic success</td>
</tr>
<tr>
<td><strong>2</strong></td>
<td>Information is shared with employees who want to know</td>
<td>Focus is on our own region, team, or function</td>
<td>Talent is managed for market performance and short-term succession</td>
</tr>
<tr>
<td><strong>3</strong></td>
<td>Information is shared only with employees who need to know</td>
<td>Focus is on our tasks</td>
<td>Talent is managed for current technical mastery</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Our Organizational Identity</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>6</strong></td>
<td>The greater good of the organization and society motivates people</td>
<td>Individual and team success motivates people</td>
<td>Security and belonging motivates people</td>
</tr>
<tr>
<td><strong>7</strong></td>
<td>Conflict is engaged constructively for shared learning and high performance</td>
<td>Conflict is worked out behind closed doors</td>
<td>Conflict is avoided</td>
</tr>
<tr>
<td><strong>8</strong></td>
<td>Success means realization of a shared vision and mission</td>
<td>Success means achievement by individuals and teams</td>
<td>Success means security and stability</td>
</tr>
<tr>
<td><strong>9</strong></td>
<td>People fear not making a meaningful contribution</td>
<td>People fear loss of self-determination</td>
<td>People fear loss of the familiar order</td>
</tr>
<tr>
<td><strong>10</strong></td>
<td>Identity comes from engagement beyond one's own self</td>
<td>Identity comes from one's life experiences and expertise</td>
<td>Identity comes from loyalty to one's own group</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Our Organizational Learning</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>11</strong></td>
<td>Leaders take a long-term strategic view</td>
<td>Leaders take an annual planning view</td>
<td>Leaders take a short-term and tactical-results view</td>
</tr>
<tr>
<td><strong>12</strong></td>
<td>Mistakes are valued for learning and innovation</td>
<td>Mistakes are tolerated as opportunities for improvement</td>
<td>Mistakes must be eliminated or hidden</td>
</tr>
<tr>
<td><strong>13</strong></td>
<td>Feedback is built into all levels of the organization</td>
<td>Feedback is useful for one's success</td>
<td>Feedback is not welcome</td>
</tr>
<tr>
<td><strong>14</strong></td>
<td>The focus is on long term sustainable success</td>
<td>The focus is on short or mid-term results</td>
<td>The focus is on task completion</td>
</tr>
<tr>
<td><strong>15</strong></td>
<td>Creating and sharing knowledge is valued as an organizational capability</td>
<td>Knowledge is shared for local success</td>
<td>Knowledge is shared haphazardly</td>
</tr>
</tbody>
</table>

![Table of Cultural Indicators](image-url)
### Scoring and Reflection

1. Count the number of check marks in each column for each of the categories (now and future). Write the number of check marks for each cell.

2. Reflect on the following questions. Make notes in your journal in preparation for a group conversation.
   - What kind of culture do you have now in the organization?
   - What kind of culture will be required in the future?
   - Which three individual indicators stand out for you as especially important?

<table>
<thead>
<tr>
<th></th>
<th>Number of ✔ Marks</th>
<th>Number of ✔ Marks</th>
<th>Number of ✔ Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Our organizational systems (# 1–4)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Now</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Future</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Our organizational identity (# 5–9)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Now</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Future</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Our organizational learning (# 10–14)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Now</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Future</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL (1–14)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Now</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Future</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicates leadership culture at the level of ... (circle one)</td>
<td>Interdependent</td>
<td>Independent</td>
<td>Dependent</td>
</tr>
</tbody>
</table>
Leadership Culture GAP Analysis

Background

Leadership culture is the “operating system” of a collective that determines how the leadership outcomes of direction, alignment, and commitment are created and maintained. There are three kinds of leadership culture that emerge and develop over time in a vertical sequence as: Dependent, Independent, and Interdependent (aka The Snowman Model). Each successive culture is more capable of dealing with more ambiguity, more uncertainty, and more complexity than the previous one. Aspects of all three kinds of culture can be observed in many organizations, but usually with one of them is dominant and provides the “center of gravity” for leadership beliefs and practices. Strategies will not be effective without a leadership culture that provides the necessary capabilities.

Purpose

The purpose of this tool is to self-assess any gaps between a collective’s leadership capability as provided by the culture, and the strategies proposed for collective success. This tool can be adapted to a wide variety of contexts by adapting the language and style of visual presentation, including “just in time” applications in which the tool is drawn by hand.

How to Use the Tool

Part 1: Introduce your audience to the three kinds of leadership culture. Ask them to reflect on their own culture(s). Invite them to share relevant stories or data. The tool can be used in coaching, retreats, programs, team building, executive team strategy work, boundary-spanning exercises between different groups and different cultures.

Instructions: As a group, draw a horizontal line through the colored circle to indicate the current leadership culture. Draw another horizontal line (in a different color or style) to indicate the future leadership culture required by the strategic challenges of the collective. The gap between the lines is your leadership culture gap, and represents the target for further leadership development (i.e., a leadership strategy).

Part 2: Facilitate a dialogue in the group about the gap, including implications for leadership development (both individual and cultural). What does this gap mean for us? What will it actually take for us to make progress?

Options:

- Use Visual Explorer and/or Leadership Metaphor Explorer in a mediated dialogue to surface and see aspects of the leadership culture, including current state and future-desired state.
- Use a letter-sized version of the tool for small groups, or for very large audiences. Use a poster-sized version for small groups and teams, then do a gallery walk of multiple posters.
- Create a larger change leadership and leadership strategy process, and use the Gap Tool as one element. Combine with Culture Walk-About.
The Leadership Culture Gap Analysis

Interdependent Indicators:
- Strategic Learning mindset
- Self, team & organization awareness
- Shared Knowledge is competitive – right to know
- Success requires organization-level competence
  - Staffing for teams & learning
  - Both/And evolutionary thinking

Independent Indicators:
- Make it Happen mindset
- Analytic, entrepreneurial awareness
- My Knowledge is Power – internal competitive edge
- Success is my achievement
  - Staffing for Performance
  - Analytic proble-solving

Dependent Indicators:
- Command & Control Hierarchy mindset
  - Risk & Conflict averse
- Knowledge is Secret – need to know
  - Success requires loyalty
  - Staffing for technical mastery
  - Either/Or thinking.

Feedback is the Source of Organizational Learning

Learning as Desire

Feedback is Knowledge for My Success

Learning as Utility

Feedback is a threat & received with Ambivalence

Learning as Survival

Feedback is not wanted
Strategy Line-up

Background

Strategy and culture are core requirements of organizational change because the culture must be capable of strategy execution. Leadership Culture and its beliefs and practices determine the level of leadership capability required to advance strategy, and agreement of strategy and direction by leadership is paramount. This simple, versatile, and portable tool has been in use for many years in the CCL program, Leading Strategically.

Purpose

The purpose of this tool is to provide a simple platform for public learning that assists organizations to explore their degree of alignment about strategy. While the primary focus is business strategy, it can be applied to any organizational strategy. The physical or human histogram provides a live, real time view of where people “stand” on their perspectives about a specific strategy.

How to Use the Tool

Participants are asked to “vote with their feet” by walking to a place on a continuum (give them grounding points in the room for strongly agree, agree, neutral, disagree, strongly disagree). Choose the questions most relevant to where the participants are in the simulation.

From Strongly Agree to Strongly Disagree:

- Our organization has a clear vision.
- Our strategy is clear.
- I agree with our strategic direction.
- Our strategy is the right one to achieve our vision.
- We are living our strategic intent.
- We’ve identified our key strategic drivers.
- Our tactics are aligned with our strategy.
- Our leadership strategy aligns with our business strategy.

After each question, facilitate discussion about why they stood where they did and what they might need in the next round. For example, if they are not clear about their strategy, ask them what they need to get there. Ask questions and facilitate discussion about where they were or were not in alignment. Have examples/stories of organizations dealing with the challenges of not having a clear vision, not having strategy aligned, etc.
Team Workstyle Continuum

Background

Strategic senior teams establish Leadership Culture through the kind of direction, alignment, and commitment (DAC) their chosen workstyle establishes. Elements of team functioning such as setting direction through visioning and strategy work, achieving alignment through decision-making and the scope of integration practices in systems and process work across the supply chain, and the motivations for commitment found through the distribution of authority, incentives, and scope of ownership, all can be combined to describe a team’s workstyle. A particular style determines how a team tends to achieve DAC and impacts the team’s ability to lead change effectively within and beyond the organization. This tool assists teams in discussing, understanding, and changing the kind of Leadership Culture and DAC they generate.

Purpose

The purpose of this tool is to help the team diagnose, dialogue, and develop the workstyle it needs to face current and future organizational challenges. The primary orientation of the tool is to answer the question: What team style will lead this organization successfully? Beyond “nice to have,” determining the kind of team required to set organizational direction, implement aligning strategy, and securing commitment to change work are key. To do so the team plots both its current style of teamwork and the future required style of teamwork. The gap between current style and future required style is the target for team development.

How to Use the Tool

The team will work together to complete this tool. Place the large poster of the graphic continuum on a wall, flip chart, or other visible place. Provide each member with an 8½” x 11” copy of the graphic continuum on the next page.

Orient participants to the tool and note that decreasing team leader responsibility means increasing team (member) responsibility and vice versa. Using their own copy, ask each member to decide where on the continuum of five types the team is functioning now or in the recent past. This is the current workstyle, and it should be marked with a blue X. Next, ask each member to decide where on the continuum of five types the team will be required to be in order to lead the organization in facing the future challenges. This is the future required workstyle, and it should be marked with a red X.

Now ask each member to transpose his or her current and future required ratings to the large poster — use dots
or markers in corresponding blue and red. After all team member ratings are recorded on the poster, spend time discussing the level of agreement regarding the current and future required states. Then conduct a gap analysis by discussing the cohesion of agreement/disagreement reflected in the placement of X’s on the poster. This gap is the target of the team’s developmental challenge. Now spend time in dialogue(s) on what this change means to the team and how the team will advance its functioning to a future state workstyle.

A. Managed Team

- All direction and decisions are made by team leader with minimal group input. Emphasis is on securing group member compliance.
- Individual and group objectives, as well as how to achieve those objectives, are determined by leader. Work flow is designed by team leader and managed within the team.
- Member commitment based on loyalty to authority. Team meeting for information distribution.

B. Task Team

- Direction setting and decisions are made by team leader with some input from members. Emphasis is on securing group member coordination.
- Individual and group objectives are determined by team leader. Some latitude provided in how to achieve objectives. Coordination and the alignment of work across boundaries is overseen by team leader.
- Member commitment based on serial tasks. Team meetings limited to information exchange.
C. Orchestrated Team

- Direction setting and decisions are made by team leader with frequent input from members where the leader is open to influence. Emphasis is on securing team member cooperation and compromise.

- Some group members input into objectives, and decide how to achieve the objectives. Objectives include some cross-team/system work. Alignment achieved as cooperation through compromise.

- Commitment to team achievement. Team meetings share information for common good.

D. Shared Leadership Team

- Vision and strategy setting with most decisions shared, and leadership emphasizing learning and consensus. Final decision authority retained by team leader with emphasis on team collaboration.

- Substantial group member input into strategic objectives. Much latitude in how to achieve the objectives. Considerable cross-systems work achieved through collaborative, aligning processes.

- Commitment to team and organization issues. Team meetings use dialogue for strategic good.

E. Transformer Team

- Visionary and strategic direction setting with the vast majority of decisions made by team itself. Team emphasis on learning and knowledge in continuously addressing emergent issues.

- Individual, team, and organization-level objectives always set by team members. Achieving objectives is practical application of aligning enterprise-wide focus and collaboration of entire systems.

- Commitment is across the entire supply chain with partners. Dialogue and strategy are constant focus.
Transformations™

Background

Transformations is a portable tool for individual leader development, as well as leadership culture development based in the work of Bill Torbert, Elaine Herdman-Barker, and Global Leadership Associates in partnership with the Center for Creative Leadership. Transformations models seven vertical levels (based on vertical developmental theory): Opportunist, Diplomat, Achiever, Redefining, Transforming, Alchemical. The tool itself consists of 84 Life Logic (stage) cards, and 50 Catalyst cards representing drivers and correlates of development. An advantage of Transformations is that the facilitator has control over how vertical developmental theory is explicitly introduced, if at all. Reflection on one’s life journey using Transformations is itself a potential catalyst for vertical development.

Purpose

Transformations™ is a miniature replica of real life. It models human consciousness and its development from youth to the full capacities of mature and wise adulthood, while supporting a deeper understanding of the Here and Now.

Because of the way it models life, Transformations™ is a flexible, user-friendly tool for self-understanding and life-long learning, coaching, team building, organization development, leadership culture development, and societal evolution. It can be used by individuals and groups and of all ages and backgrounds. Among its benefits are the creation of self-insight and dialogue about the stages and processes of human development, in a way that is both engaging and reflective, playful and serious, impactful and fun. Transformations creates mediated dialogue by putting something in the middle of a lively conversation.

How to Use the Tool

Transformations is used in a wide variety of contexts. A key decision is whether to share any of the vertical framework with participants. A key feature of the tool is that the vertical framework can remain in the background as an implicit scaffold. And, Transformations can be used as a method for explicitly teaching vertical theory and related practices.

The most common way to use the tool is in the From Here to There (aka Life Journeys) design, in which participants choose two Life Logic cards for their own past, two for present, and two for future aspirations. For the past, anchor everybody at a common point, such as “When did you first became an adult?” or “When did others first see you as adult?” Then invite them to browse and choose from among the Catalyst cards by asking “What were key processes/catalysts/experiences during your transformations in the past along your journey? What is going on now in your life that might be a catalyst for change?”

Next, with the same group or as a separate exercise, the facilitator or coach can create a natural flow from “me” to “we” in using the Transformation cards to explore leadership culture. If the group is intact, they can create a map of From Here to There for their shared leadership culture, choosing a variety of cards for several points in the past, cards for now, and cards for their aspirations for their shared culture. This can be done on a table top, or in a more elaborate wall collage, incorporating other Explorer cards, artifacts, etc.

See the support blog at www.ccl.org/Transformations for more information.
TOOLS FOR
STIMULATING DIALOGUE
Dialogue Tool

Background

Dialogue is a group conversation that intentionally explores differences in perceptions and assumptions in order to derive deeper, shared understanding of issues and opportunities.

There are many ways to create dialogue. Here we offer the QORD (Questions, Observations, Reflections, and Decisions) Model for dialogue as useful in a number of leadership contexts. QORD has the advantage of creating decisions as part of the dialogue process. Another useful tool is Mediated Dialogue, also known as “putting something in the middle” such as Visual Explorer images. QORD and Mediated Dialogue can be combined as needed.

Purpose

The purpose of dialogue is to slow down and reflect, explore assumptions, and to make shared meaning in the face of complexity, uncertainty, and conflict.

Use dialogue as a part of problem solving, strategy-making and action planning, and to encourage innovative, systemic, critical thinking when facing complex situations.

Leadership Culture is changed one dialogue at a time. Dialogue is as much about improving ongoing thought processes as it is about improving the quality of any particular conversation. Over time, dialogue creates openness and trust and openness among group members.

Dialogue occurs when people are able to suspend their certainties and explore their assumptions with each other. It honors differences as the basis for building common ground.

Dialogue is a form of truth-telling in which people ask questions that are not normally discussed. When it is working well, people are taking risks.

There are many ways of having dialogue. When teaching or beginning to practice dialogue, a basic model is helpful, and we recommend the QORD Model of Dialogue from the Center for Creative Leadership.

How To Use The Tool

In this model, Questions, Observations, Reflections, and Decisions (QORD) are the key parts of dialogue.

The first three — question, observe, reflect — produce the inquiry necessary for deeper learning to occur. Cycle through QOR until the group is ready to decide. Decisions are about advocating for a point of view and the narrowing of discussion toward group decisions. Often these decisions are subject to further rounds of QOR. Most of dialogue is about inquiry.

Questions are the main engine of dialogue, promoting inquiry into what is happening, and why.

Observing is about paying attention to the details of the issues at hand, and paying attention to the substance and process of the dialogue itself.

Reflection is about making sense of the observations, and searching for root causes and alternatives.

Decisions are about advocating for positions and seeking and testing ways forward.
Getting Started:

- Sit together in a place away from distractions. Remove extra stuff from the middle of the dialogue space. A retreat or "mini-retreat" setting is good.
- OPTION: Sit in a circle without tables.
- Introduce some ground rules in a simple way. Describe the four parts of question, observe, reflect, decide. Do not over-advocate or rush to decisions in this process.
- Ask a simple question or offer a key observation for the group to begin with.
- Ask the group to reflect on the question/observation.
- Then facilitate a naturally emerging conversation.
- Intervene only to keep the group on track in the process of dialogue.
- OPTION: Use objects to mediate dialogue, by putting something in the middle, such as visual images or other Leadership Explorer Tools.
- OPTION: Post ground rules for effective dialogue
  - Listen without criticizing
  - Ask clarifying questions
  - Inquire about how the person arrived at their perspective
  - Listen more than you talk
  - Check for understanding
  - Explore alternative points of view
  - Balance advocacy and inquiry
  - Offer ideas as your point of view, not as facts
  - What is said in this circle stays in this circle (as appropriate)
Exploring Leadership Culture Using
Leadership Metaphor Explorer™

Background

Leadership Metaphor Explorer (LME) is a portable tool, a deck of 83 cards, used for reflection, creative conversations, and public learning about leadership and leadership culture. LME uses a diverse variety of interesting and provocative metaphors for leadership on 83 illustrated cards. LME supports mediated dialogue: the practice of “putting something in the middle” of creative conversations. Metaphor and analogy are used here as “the fuel and fire of thinking.”

Purpose

LME promotes creative dialogue and public learning. LME helps groups gain insight about their leadership styles and leadership cultures, comparing needed and actual leadership — mine, yours, ours, and theirs — in the past, present, and future. LME illustrates the vertical domains of dependent, independent, and interdependent leadership memes and cultures.

How to Use the Tool

LME (and related Explorer tools) can be used in a variety of ways including individual reflection and coaching, team building, leadership culture discovery, and community dialogue.

Typically a framing question is posed related to the issue at hand. For example: “What kinds of leadership do we practice now? What kinds of leadership do we need to meet our strategies?” Each person chooses one or several cards in response. Each person shares their cards and what they mean to them. People respond to one another and dialogue ensues. With large groups, break out in groups of 3–8 for dialogue. Groups then present their insights to one another in the plenary.

Tips and options:

- Have people choose several cards, as many that apply. Put those cards in the middle, arrange them into related clusters. Decide as a group which are the top five cards that best reflect their leadership culture. Then decide as a group the number one favorite card.
- Create a “From Here to There” map of the journey of the leadership culture. What was leadership like here in the past starting with the founding of the group, organization or community? What is it like now? What will it look like in the future if we are successful? Tape the cards to a large sheet of paper on the wall.
- When two or more different groups need to create direction, alignment, and commitment (DAC) with one another, do a boundary-spanning exercise in which each group selects cards in three categories: 1) How does our group see itself?, 2) How do you think other groups see our group?, and 3) How do we see the other group? Share these cards in dialogue across the boundary. Compare and contrast your perceptions of one another.
- Combine Visual Explorer cards with any of these exercises (and other Explorer cards).
- Tape cards to flip charts and list the insights and action steps related to each card or set of cards.

Try the LME Users’ Guide which describes a large number of diverse applications.

See the support blog at www.ccl.org/Metaphor for more information.
Exploring Leadership Culture Using
Visual Explorer™

Background

Visual Explorer™ is a deck of images available in postcard, playing card, and letter sizes, and a new VE Special Edition of 100 global, diverse images also comes in digital format suitable for online meetings. Research shows that images can promote insightful, creative, and empathic thinking and communication. VE is the origin of mediated dialogue: the practice of “putting something in the middle” of a creative conversation.

Purpose

Visual Explorer is a tool that is very conducive to exploring leadership culture because it promotes public learning, creative dialogue, and collaboration. VE supports whole-brain attention and reflection at the individual and group levels. VE can help a group process data and feedback. VE can help a group make sense of new information. VE typically feels safe, inviting, and fun, and it helps groups deal with difficult or interesting topics of all kinds. VE can be used in meetings, at retreats, impromptu, and in programs.

How to Use the Tool

1. **Frame.** Choose one or two framing questions capturing the issue at hand. For example, reflect on the leadership culture by asking: “How are we at our best in creating shared direction, alignment, and commitment? How are we at our worst?”
2. **Browse.** People browse the images that have been laid out. Each person chooses an image (or more) that responds to the question(s).
3. **Reflect.** Each person reflects/journals by examining the image(s): What is in the image itself? What does the image mean to you?
4. **Share.** Share the images in small groups (2–8). Each person describes their own image(s), both the image itself and the meanings it has. One person goes first and others in the circle respond to those images with their own descriptions and meanings. Repeat for each person.
5. **Extend.** After this initial dialogue, use the momentum to continue and extend the conversation with or without the images. Significant images and meaningful metaphors can be reused in ongoing creative problem solving, invention, and communication.

Tips and options include:

- Slow down the process and allow people time to reflect and write in their journals. Writing deepens reflection in conjunction with images and metaphors. It’s not (just) an ice-breaker.
- Sit in a circle without a table, share the images on the floor. Everybody leans in.
- Use the VE Special Edition images in online sessions, in a similar process.
- Take photos and videos of the session (with permission).
- Participants can photograph the images they selected for social media.
- Make the instructions simple and clear, and get out of the way.

Try the VE Users’ Guide, which describes a large number of diverse applications.

See the support blog at www.ccl.org/Visual for more information.
Fishbowl

Background

The Fishbowl technique is a “content-free” process that accommodates any particular content. It is used extensively in group situations for developing Leadership Culture in which dialogue is the key development method. Its name is an indicator of the activity: one group of people sits in an inner circle and discusses an issue or topic, while another group surrounds them on the outside and observes the interaction. In a sense, the inner group is a fish swimming around in a bowl, exploring its surroundings, while the observer group is a set of eyes watching the exploration.

Purpose

The fishbowl activity encourages cooperative learning in that it allows a group of people (the observer group) to actively listen to the experiences and perspectives of another group of people (the inner group). It is a very effective tool when there are strongly held opinions and perspectives on topics, and also when groups are exploring very complex and new challenges for which no clear answer is apparent. By not actually engaging in the conversations, observers often find they develop stronger listening and inquiring skills (versus holding onto their own opinions); they can also develop a strong appreciation for the processes used in group interaction. In addition, the perspectives of both groups are often broadened as the dialogue becomes rich and deep. The fishbowl is useful when two groups may be having a hard time seeing each other’s perspective, for instance, when there is a hierarchical difference between the two groups.

How to Use the Tool

First, determine a topic to discuss: it might be a problem to be solved (e.g., exploring solutions to an issue in your organization); it might be an exploration of a topic for which there are multiple right answers (e.g., what does “Professional Ownership” mean to us?). Once a topic is chosen, form the two groups: Group A will sit on the inner circle to discuss the issue and/or dialogue about the topic. Typically, the group with more hierarchical power would go first (Group A). Group B will sit on the outside of the circle and observe the interaction.

There Are a Few Ground Rules:

- Make sure you have enough time for a rich discussion. Depending on the size of the group, try to allow for 30 minutes or more.

- Everyone in Group A should have the opportunity to talk.

- During the course of the fishbowl, observers (Group B) are not allowed to talk. Their job is to listen and learn, and they will have an opportunity to discuss later any issues that emerge.

- Once the fishbowl is completed, switch roles: Group A now becomes the observers, and Group B moves to the center circle. Group B is asked to reflect on and discuss what they heard from Group A.
There Are Also Several Variations That You Might Use:

- Provide the observers with an observation checklist, with questions about the content and/or process of the interaction.

  - Sample content questions include:
    - What was the issue being discussed?
    - Were underlying issues raised?
    - What new perspectives and/or experiences did you hear?
    - What patterns and themes were raised by the members?
    - What did you learn about this issue?

  - Sample process questions include:
    - What communication processes were used?
    - Were any decisions made?
    - If so, what processes were used to make those decisions?
    - What roles were played by the members of the group?

- Ensure that dialogue is built into the discussion. Have the group actively work on seeking others’ points of view, listening to and paraphrasing ideas, asking questions.

- There are several options for debriefing the activity, including the following:

  - Small groups can be formed with members from both Groups A and B. The purpose of discussion in these groups is to allow the observers (Group B) to ask clarifying questions regarding what they heard from Group A.

  - The discussion can be kept to the large group, and interaction between Groups A and B is key. The observers (Group B) provide feedback about both the process and content of the conversation, and they share their learnings as observers. Group A also then has the opportunity to reflect and share in that discussion.
Putting Something in the Middle

Background

Leadership Culture is a core focus of organizational change, and creating common objects of meaning for discussion is a core process in the art of dialogue for change and transformation. The technique is simple: Place a tangible object (or a series of them) in the middle of your group as the focus of dialogue. The object may stand for an idea, but is something you can actually look at and touch. Example objects include: Visual Explorer images, product prototype, personal mementos, a business report, or a competitor’s product.

Why an object? Objects focus attention in a positive way. By describing their observations of an object rather than another person or an abstraction, people become less polarized and argumentative. Objects also help people make personal connections; the object can be shared and the object of focus for people together. They provide images and invite metaphors and stories.

Purpose

“Putting something in the middle” (PSM) is a good way to learn dialogue, get participation from more people, as well as increasing its effectiveness.

How to Use the Tool

- After you have identified a topic for dialogue, think about ways to make it tangible. Are there photographs representing the issue in different situations? Can you make drawings of it? Can you lay it out as a flow chart, collage, or map? Do people have mementos representing the issue in their work or lives?

- Normally “a picture of the issue” (for example) might be used to illustrate a speech or presentation. In PSM, that same picture is made the topic of dialogue.

- Each person first has a chance to make observations about the object itself. For example, noticing what it is made of, what’s appealing about it, or not, and so on.

- Only after spending some time observing the thing itself, do you then go on and talk about what the object might mean to the people in the dialogue.

- Use language that does not insist on one way to see things: “If that were my [picture, memento] I would notice or wonder about … If that were mine it might mean …”

- PSM can be a good way to dig into each person’s background and experience. For example you might ask people to “bring something to the meeting that stands for what you most value about this organization.” This pulls each individual and their own stories into the dialogue.

- If it is a single map or chart or plan in the middle, consider turning the group loose with materials to re-make the map — scissors, markers, and glue for example. Then talk about the result and what parts of it might be useful in a final version.

- Consider leaving the objects on a table or on the wall for the remainder of the meeting, as sources of ideas and inspiration. Likewise, a digital camera can be very helpful in capturing the objects for future storytelling in other settings in the organization.

- For more resources, see the tool sheets on Visual Explorer and Dialogue.
APPENDIX I: WHITE PAPERS
Contrary to Conventional Wisdom, Cultures can be Transformed

Senior leadership teams can and do evolve new mindsets. Individuals, teams, and entire organizations adapt, grow, and prepare for future challenges. They learn to change what they do and how they do it. As a result, they have grown “bigger minds for solving bigger problems.”

Organizations seeking to adapt during turbulent times — like now — cannot force change through purely technical approaches such as restructuring and reengineering. They need a new kind of leadership capability to reframe dilemmas, reinterpret options, and reform operations — and to do so continuously.

But organizational culture change is not for the faint of heart or the quick-change artist. Serious change demands serious people. Are you up for it?

Why Transform?

Companies have no choice but to change. The world is moving and shifting fast; executives know it. Trying to cope, they are applying their best thinking to the structures, systems, and processes they need to compete. Conventional wisdom says that the right business structures will provide the efficiencies, innovation, and agility that organizations need to succeed and sustain.

Behind closed doors, however, senior leaders and CEOs are speaking a different truth. Increasingly, they are questioning the incessant reorganizing, reengineering, and restructuring in the name of efficiency. Strategies and plans that should work instead fall apart, yielding (yet again) less-than expected results. Operational decisions that once were clear-cut are becoming more complicated and ambiguous.

Worse, many top managers and teams struggle to agree on outcomes, or even common ground for moving forward. Skilled individual leaders with impressive track records fail to collaborate. They don’t know how to work together to understand difficult challenges, much less to resolve them. Instead, they continue to be constrained, operating in silos and defaulting to traditional boundaries and turf battles.

The ability to integrate systems, collaborate with partners, and coordinate across the supply chain remains elusive. Innovation is haphazard or thwarted. Customer-focused strategies are uncoordinated and implementation is uneven. In short, organizations are stuck. Frustrated executives work harder and longer. People at every level are overwhelmed, guarded, and cynical.

What’s Going On?

Insufficient leadership ability is part of the problem. You’ll note we say “leadership” — not just a reference to the individual leader. The shift in focus from development of the individual heroic leader, to the unfolding, emergent realization of leadership as a collective activity is intentional — and very, very important.

A recent CCL study found that the four most important skills/capabilities needed by organizations in the future — leading people, strategic planning, inspiring commitment and managing change — are among the weakest competencies for today’s individual leaders.
At the same time, the nature of effective leadership is changing. CCL’s changing nature of leadership research showed that approaches focusing on flexibility, collaboration, crossing boundaries, and collective leadership are increasingly more important than the basics of making the numbers.

These findings suggest that organizations should continue to seek more of a balance between developing leaders through individual competencies and fostering the collective capabilities of teams, groups, networks, and organizational leadership.

The common thread among these studies is a powerful one: choosing the right leadership culture is the difference between success and failure.

Different leadership cultures serve different purposes. A hierarchy of culture exists — and each advancing culture is increasingly capable of dealing with greater and greater complexity in leading and gaining the commitment of others, effecting strategy, and being successful in organization change.

As companies face change, they need to invest intentionally in a leadership culture that will match the unfolding challenge. The beliefs that drive leadership behaviors need to align with the operational business strategy. Without that alignment, painful gaps appear in the individual leadership skill set and in the organization's collective leadership capability. In contrast, when executives change their leadership culture, they are rewarded with significant, sustainable outcomes, including:

- An accelerating ability to implement emerging, successive business strategies
- Greater speed and flexibility, allowing the organization to move faster in response to change and challenge
- New, stronger core organizational capabilities
- Achievement of bottom-line results
- Improved ability to create shared direction, alignment, and commitment throughout the organization
- Growth of not only individual capabilities, but waves of individuals all growing capabilities in a leadership collective
- The development of talent and culture while implementing the business strategy
- Genuine organizational innovation for not only products, but also the organizational systems required to sustain innovation
- Effective cross-boundary work and the collaboration required for dealing with complexity and change
- Increased engagement within the top leadership team that links through leadership down into employees throughout the organization
- A re-humanized workplace, balancing technical and operational expertise with beliefs and experience
- Leadership and organizational transformation
The Lessons of Our Experience

The history of change management teaches us that a simple recipe does not work. Change remains very difficult. Our experience with clients has helped us identify themes and patterns, tools and models that help leaders and organizations to change their culture. But the fact remains: anyone touting a quick-fix transformation formula doesn't know what he's up against.

Change leadership isn't simple because:

1. Bigger minds are needed to keep pace with rapidly changing reality. Reality is leaping ahead of our collective development. We need new thinking and new ways of working together in order to keep up. Most organizations are behind in developing what they need to move up the hierarchy of culture. It takes an even greater stretch to thrive in the face of change.

2. Change requires new mindsets, not just new skills. Organizations have become savvy developers of individual leader competencies. In doing so, they have over-relied on the human resource function to manage change through individual skill development. Executives have not considered the need to advance both individual and collective leadership mindsets.

3. Hidden assumptions and beliefs must be unearthed. Unexamined beliefs control an organization and prevent any meaningful change. Years of valuing hierarchy, status, authority, and control — even if unstated — can lead to assumptions and behaviors that are out of date, unnecessary, unhelpful, and at odds with stated goals and strategic direction.

4. Organizational change requires leaders to change. Change the culture — change yourself. That's the new reality. Senior executives who move the needle toward organizational transformation also experience significant personal transformation. That commitment to personal change is a fundamental part of their readiness to take on the leadership and management challenges of change for a sustainable future.

5. It takes a new kind of hard work. Stop calling them “soft” skills. Developing new beliefs and mindsets is hard, and the leadership practices they generate will permanently alter the way leadership is experienced and accomplished. Developing a new mindset is much harder than managing spreadsheets and the next restructuring. If it was easy, everyone would be doing it.
Understanding the Hierarchy of Leadership Culture

Culture is fundamentally about the meaning that people make of the world and the tools they have to deal with the world. Leadership culture is the meaning that people make and the tools they have to create shared direction, alignment, and commitment throughout the organization.

The goal of culture change work is to purposefully and actively build capability for new ways of working. It allows for the new thinking, beliefs, tools, and processes that will result in the organizational success.

As business strategies get more complex, the culture is required to grow into the level of complexity required to implement it.

Consider Abrasive Technology Inc. (ATI), a globally integrated company with headquarters near Columbus, Ohio, USA. The company designs, manufactures, and markets diamond-based products for super-abrasive precision grinding and tooling. Number one or two in niche markets, the company wanted to keep that position and develop new product lines.

In 2001, the company founder, owner, and president instituted a radical change in the organizational structure and operations. The business goal was customer-focused continuous improvement of all of the organization’s processes. The cultural goal was, as the president put it, to create a company “that I would want to work for.”

Eliminating the traditional organizational hierarchy and structure, he sought to redesign the business around work processes. In a process-centered organization (PCO), process engineers collaborate with members of process teams to improve effectiveness. Employees are rewarded for individual, team and overall organizational success.

At ATI, the change was met with great resistance. Operating as a PCO required much more than a change in the organizational chart and the introduction of new systems. It forced people throughout the company to re-think their roles and responsibilities, as well as their relationships with each other and with management. It called into question beliefs about trust, engagement, authority, and collaboration alongside a re-ordering of the business strategy and needs.

The goal of culture change work is to purposefully and actively build capability for new ways of working.
It soon became clear that ATI wouldn’t gain the benefits of being a PCO without a correlating change in the culture. Most workplace leaders — and most leadership development practitioners and theorists — don’t have “transforming organizational culture” on their to-do list. And for those who see the need (like our clients at ATI), they don’t know where to start. At CCL, we start by describing a hierarchy of leadership culture: dependent, independent, and interdependent.

Organizations, like people, tend to evolve along a path from dependent to independent to interdependent.

Each of the three levels of leadership culture in the hierarchy is characterized by a set of beliefs, behaviors, and practices (also called “leadership logics”). Each successive culture is more sophisticated and can respond more successfully to deeper challenges. The core reason is they can think, learn, and respond to challenges faster and better. The leadership logics may be explicit or implicit, but either way, they are deeply held and often difficult to see or discuss.

Dependent leadership cultures hold only people in positions of authority responsible for leadership. Authority and control are held at the top. Success depends on obedience to authority and loyalty. Mastery and recognition of work operates primarily at the level of technical expertise.

Other characteristics associated with dependent cultures are: a conservative approach to change, an emphasis on keeping things running smoothly, and the tendency to publicly smooth over mistakes. Independent leadership cultures assume that leadership emerges as needed from a variety of individuals based on knowledge and expertise. Authority and control are distributed through the ranks.

Independent cultures value decentralized decision-making, individual responsibility and expertise, and competition among experts. Independent cultures focus on success in a changing world and adapting faster and better than the competition. Success means mastery of systems that produce results in an individual’s own domain, and eventually contribute to the success of the organization. Mistakes may be treated as opportunities to learn.

Other characteristics associated with independent cultures include: individual performance as an important source of success and status, an emphasis on taking calculated risks, open disagreement, and independent actions within functions or workgroups.

Interdependent leadership cultures view leadership as a collective activity that requires mutual inquiry, learning and a capacity to work with complex challenges. Authority and control are shared based on strategic competence for the whole organization. The mindset tends toward collaborating in a changing world so that new organizational orders and structures can emerge through collective work.

Mistakes are embraced as opportunities for individual, team, and organizational learning, and both positive and negative feedback are valued as essential tools for collective success.

Other characteristics associated with interdependent cultures include: the ability to work effectively across organizational boundaries, openness and candor, multi-faceted standards of success, and synergies being sought across the whole enterprise.
Each successive culture moves the organization to a greater level of capability for dealing with complexity and accelerated change. By creating and advancing new beliefs and leadership practices, organizational leadership together has the chance to rise above their current behavior and thinking. As senior executives learn together and grow from current mindsets to new ones, organizations begin to advance from one culture to the next.

**Match the Culture to the Need**

While there is nothing inherently wrong with any level of culture, organizations must match the leadership culture to the operational need. Asking a command and control (dependent) culture, for example, to implement an innovative, agile strategy is a recipe for disaster. In contrast, an interdependent organization is better poised to handle a high caliber of complexity and challenge. As a more fluid organization, it will be able to draw on individual talent, connect effectively across boundaries, and adapt as needed.

Developing leadership culture is about growing leadership talent to the needed level of capability. To break through the current capability ceiling, organizational leaders must take time to connect two critical factors:

- First, you have to know where your culture is in the hierarchy of cultures. The way leaders engage with each other and with others in the organization will depend on the leadership logic that dominates. Investing in knowing what your current culture is capable of will save dollars, and more important, time. You might leap to implement the next, new thing — only to find out your approach was off the mark. Instead, understand where your leadership culture is today to develop feasible change plans.

- Second, you have to understand the drivers and core capabilities needed for your business strategy to succeed. What future level of leadership culture is needed to support the business strategy? It is the job of leadership to ensure that smart strategies are wisely implemented. This is possible only when the culture of beliefs and the focus on readiness to develop capability to implement is real.

**When the level of leadership culture aligns with your business strategy, your performance will be stellar.**

By choosing the right level of leadership culture that your organization absolutely requires for its future, your leadership talent as a collective can advance to new levels of organizational capability that secures success. When the level of leadership culture aligns with your business strategy, your performance will be stellar.
The institution of the PCO at ATI pushed a transformation in its leadership culture. Before the change, ATI exhibited a dependent leadership culture of command and control. As the company grew its global business that served customers in multiple industries (aerospace, automotive, ceramics, lapidary, medical and dental, textiles, and tool-and-die, among them), it needed to be more versatile, connected, and responsive.

As a PCO, the plan was to engage and empower all employees, but it didn’t happen overnight. One machinist, speaking at the time of the change, summed up the attitude of many workers: “I do my eight, and I hit the gate.” Like many others, he only knew a dependent leadership culture and had no interest in participating in a process that required his active engagement. Faced with this deeply held resistance to the change, the CEO found it necessary to cut off debate. Paradoxically, he used command-and-control to move the organization away from command-and-control. Employees either complied or left. New associates were hired with the process-centered culture in mind.

**Leadership Strategy for New Cultural Capabilities**

![Diagram showing interdependent, independent, and dependent cultural levels]

**Slow Down to Power Up**

More and more executives tell us they need increasingly collaborative leadership for working effectively across boundaries inside their organizations and across their value chains. In fact, our executive research shows that it is their highest need and yet least effective organizational capability.

If an interdependent culture is needed, but a company is operating at the dependent or independent level, how does the senior leadership team start to change culture? How does the senior team start to work more effectively across their business and functional boundaries? In a counterintuitive move, they need to slow down.

“Slowing down to power up” is a key principle for leading change. By giving time and attention to the beliefs that underlie behavior and decisions, executives help the organization to be faster and more flexible in the future.

When leaders and teams slow down action, conversation, and decision-making at critical times, they can address challenges at the root level. Instead of focusing on speed, the focus is on learning. Multiple right answers and better solutions are offered. Everyone involved is able to reflect on assumptions, understand problems more clearly, and integrate the perspectives of others.
Slowing down at key times for learning, diagnosis, and dialogue allows you to “power up,” — creating accurate, focused, valuable decisions. Time lost on the front end translates into speed further along in the process. Slowing down helps you reduce organizational missteps (both large and small) due to poor communication, too-fast decision-making, and the faulty assumptions and beliefs that drive them.

Slowing down is also a cultural stance. It is a behavior that is in itself a big change, and at the same time, it fosters desired leadership culture change.

ATI, for example, identified “learning” as a critical skill for developing a culture that can adapt to change. Teams could stop any process to gain better understanding or to make learning explicit. The idea of taking time out for learning in the middle of a manufacturing process seemed bizarre and foolish to many. Changing that belief was a very big undertaking. But, because the senior team was committed to “slowing down to power up,” the process took root and lead to permanent changes in business performance.

Another CCL client, KONE Americas, worked in a culture with a strong bias for action. In the elevator and escalator installation, modernization, and maintenance business, KONE executives and employees were very good problem solvers and highly analytic tacticians who took immediate action to get things done. But, like any overplayed skill, it became a weakness. This skill had them in a reactive, short-term mode, operating in one system at a time, solving one problem at a time.

KONE’s greater leadership challenge was to better work across multiple systems simultaneously and provide longer-term strategic direction for the company. This pushed them to grow bigger minds, tolerate more ambiguity, and stay with strategic issues without the immediate satisfaction of taking action and getting things done. One senior leader said it this way: “Moving our primary focus from operations to strategy will be uncomfortable for us. We won’t feel effective not making constant decisions.”

In addition, KONE had long operated in a leadership culture where conflict was often avoided. People tended to keep things smooth and harmonious on the surface. This reinforced the dependence on authority figures, who typically encountered little or no questioning of their opinions and perspectives. This further narrowed the range of ideas that were generated and debated to address the deeper, strategic challenges KONE faced.

In 2008, CCL introduced dialogue as a core tool for slowing down to power up — a simple process that is easy to learn and use. To help groups deal with complex or potentially divisive issues, people objectify the problem.

**When Individual Competencies Are Not Enough**

Changing culture requires a belief that developing both individual leader capacity and organizational leadership capability are worthwhile efforts. Generally, this belief comes about when key people in the organization place a high value on learning and leadership development.

For organizations facing significant change, we believe that continuing down a path investing only in individual leader development based on competencies misses the mark. Yesterday’s conventional wisdom is tomorrow’s weak spot. Organizations require a new perspective.

Leader development strategies, based only on individual competencies, are necessary but no longer sufficient. Learning must take place in the collective, not just on the part of individuals. Formal and informal leaders acting and working together determine if organizations will succeed in implementing strategies and adapting to change. Individual development and coaching will only get the organization so far; breakthroughs require attention to leadership cultures and collective leadership capabilities.
example, instead of saying, “I disagree with your view of the logistics process,” a person could say, “Here’s what I see when I think about the process, what do you see?” This is an intentional effort to switch gears from advocating to one another (or debating or avoiding) to exploring the issue — allowing the best ideas to surface and win.

The difference between directly evaluating and commenting on the perspectives of others with a bias-for-action and speaking to issues through dialogue with a bias-for-strategy may seem simple, and it can be. But at KONE it created a way for people to stay engaged and respectful while surfacing differences, and digging deeper into long held beliefs that were driving decisions. As one participating leader said, “I see an immediate increase in our trust levels through dialogue and feedback. Conflict is easier now because we know why we’re asking questions — it’s about discovery and our learning together.” By spending time questioning, observing and reflecting, executives at KONE now generate multiple perspectives and “right answers” that can then be integrated into the best strategic solution available.

KONE’s leadership is deeply committed to an interdependent, collaborative leadership culture and is swiftly advancing. Perhaps most telling, meetings, which were once occasions primarily for operational information sharing, are becoming an integral part of effective strategic work.

“My whole thought process shifted,” one leader said. “We are using meetings and developing the discipline of dialogue to work out strategic issues and to do our active learning together.”

As the managers at ATI and KONE have learned, if you need new leadership practices, then you need new leadership beliefs. This means you need to slow down, think, question, unearth, explore, let go, and re-set — not your typical CEO behavior. But, CEOs like those at ATI and KONE North America, dedicated to strategic sustainability and interdependent learning cultures, aren’t common either.

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**Growing Bigger Minds**

Of course, culture change is not a short-term process — it will take a few years. An organization doesn’t become a more collaborative culture, for example, just because it is desired or when new competencies are named. Here are six strategies help you and your team rise above current beliefs and practices, grow bigger minds, and build capacity for new ways of working.
1 **Discover your culture and capabilities.** Get a deep and clear-eyed view of your current culture. This is the most important feasibility study you will ever undertake. Is your organization primarily dependent or independent? Does it have elements of successful interdependence from which you can expand? Even more important — what is the culture of your executive leadership team?

You also need to identify and understand the drivers and core capabilities needed for your business strategy. Do you have the leadership capacity and culture needed to succeed? Where are the individual and collective gaps?

**Do you have the leadership capacity and culture needed to succeed? Where are the individual and collective gaps?**

2 **Craft a leadership strategy.** A leadership strategy is an organization’s implicit and explicit choices about leadership, its beliefs and practices, and its people systems. It is the blueprint for building the leadership capacity to meet operational objectives. Do you have one?

In much of the work on talent and leadership bench strength, the focus has been on understanding the pool of people in the pipeline and creating the qualities and skills they need to play formal roles in the organization. For these efforts to take hold and to determine whether the strategies and plans will actually be achieved, a leadership strategy must also focus on the collective capacity of individual leaders and the collective capability of the leadership culture.

3 **Transform the executive team.** If you want organizational transformation, you have to transform the executive team first. The days of delegating change are over. Change the culture — change yourself! Jump-start the change work behind closed doors with just the senior team. Coach senior team members (both individually and as a group) to develop their readiness for leading culture change. Focus on topics of control, time, and engagement. Whatever you do, don’t pawn off the culture work on someone else. Don’t give it to HR. No one else can create change for the executive team. No proxy can carry the senior team’s responsibility.

4 **Take time out for learning.** Allow for routine breaks or in-the-moment discussions to stop and learn. Slow down and take a deeper look at the situation. Reflect on assumptions, understand problems more clearly, and integrate multiple perspectives. Learn to ask questions: Establish and encourage dialogue that consists mostly of questions; make sure you or others are asking plenty of “whys” and “what-ifs,” which will take you closer to root causes and bring up more alternatives for addressing systemic causes of repeating problems.

5 **Establish action development teams.** Action development implements the organization’s strategy while developing leadership culture and talent. Teams of senior and high-potential leaders tackle mission-critical, complex challenges identified by the business strategy. They learn to work across boundaries, with explicit sponsorship and coaching, while developing new and better ways of working together.

6 **Align talent processes.** Hire for the organization you want to become, not who you used to be. Look for people who want to be part of something larger than themselves, have strong collaborative mindsets, and are able to have conversations about culture and leadership.
KONE has been at this work for less than a year with amazing operational results in their businessmarkets, while dramatically improving safety, customer satisfaction and employee engagement. Over the course of several years, ATI has seen marked improvements in its operations and in culture. ATI has applied multiple culture change strategies and, in some ways, the work continues. The intensity or duration of each strategy has varied and evolved — and they continue to sustain number one or two product line positions in niche markets.

Other outcomes have included:

- Turnover rates that dropped from double-digit numbers to near zero.
- Previously poorly performing plants suddenly making and sustaining group variable compensation.
- A shift in metrics to only three core measures.
- Fifty percent reduction in product returns year after year for five years running.
- A state-of-the-art talent management system that includes peer reviews; individual, group, and organizational-level compensation; coaching; and assessment and learning systems.
- Zero recruitment costs due to 100 percent internal referrals of new hires.
- Hierarchical, conformance-based culture transformed into a process-centered organization with a collaborative culture.

A Move to Interdependence

In 2000, a small group from CCL analyzed 66 requests for service from clients. Two-thirds of those requests included the need to improve collaborative work across boundaries.

A close look revealed that those requests were connected to complex organizational imperatives. The need to better leverage partnerships and alliances, manage supply chains, and integrate software systems were all examples of why methodologies in business process reengineering, quality movements and downsizing had emerged. But, none of these methods had yet incorporated corollary changes in leadership theory or practice.

These requests for assistance seemed to indicate developing more collaborative business and leadership practices was seen by clients as a way to cope. But developing collaboration as an individual competence, we thought, was not going to be enough to support organization-level change.

CCL’s organizational leadership understanding and practice has gained traction. The call from executives has grown louder and more insistent. More leaders see collaboration and interdependence as a way to successfully adapt and operate in complex situations.

Rather than dismissing culture work as “soft stuff,” many executives now view it as the high-priority, hard stuff — changing whole beliefs systems so that organizations can survive.

Are you ready for the new hard work?
Measuring Impact of Your Leadership Culture Change Initiatives

By Sarah Stawiski, John McGuire, Tracy Patterson

We walked into a meeting with a divisional leadership team who had been working to change the culture of the leadership team — and then the entire division — for about a year. We’d been asked to come to talk about “evaluating” the initiative — in other words, assessing whether it was actually effectively producing the intended results. Several members of the team were curious to know if their efforts were really working and whether they were at least moving the needle in the right direction. The leader of the team who had initiated the focus on developing the culture was a little skeptical. Pretty early on in the conversation he came right out with his concern. He said “I’ll be honest, it feels like I’ve been working out for several months, but I’m not quite ready to take my shirt off in public.” We all laughed at the comment, but we knew exactly what he meant. We had heard it from clients before — a belief that evaluating the impact of an initiative is something you do at its conclusion, for the primary purpose of making a conclusive judgment about its worth or merit.

However, leadership culture change is not unlike other organizational changes where strategically collecting, analyzing, and using data along the way can not only tell you whether your initiatives are successful, but also give you insights about what to do to make your efforts more effective. A recent Harvard Business Review article makes the argument that a shift toward change management that is data-informed should lead to a decline in the failure rate of change programs. Thinking about measurement early on in the change process requires change leaders to clarify their goals, and gain alignment with other stakeholders about what is really important. Further, using data to gain insights throughout the process shifts beliefs and practices that lead to real organizational change.

The purpose of this white paper is to challenge the all-too-prevalent belief that culture is too amorphous and its change cannot be measured; and to broaden perspectives about how using data about progress and impact can be used not only to determine if a culture change initiative is effective but also to promote learning and strengthen the change efforts along the way. It also dispels the myth that you have to design a dissertation-like study to learn anything worthwhile. We believe that anyone leading a culture change initiative can benefit from even

small efforts to use data to glean insights and drive impact. This paper is written for anyone responsible for either implementing or evaluating a culture change initiative in their organization or who is tasked with evaluating the effectiveness of such a culture change initiative.

Context Setting and Terminology

At CCL we have a range of services aimed at producing organizational-level impact (in addition to programs focused on individual-level impact). One of those services, supported by more than a decade of research and creation of tools and practices, is developing the leadership culture of an organization. Many of the organizations we work with have determined that to be effective at executing their business strategy, they need to become more agile, better able to manage complexity, more transparent and honest, and to become capable of collaborative work in an effective public learning process (McGuire & Palus 2015; Palus, McGuire, Ernst, 2011; McGuire & Rhodes, 2009). While CCL’s focus in helping organizations with leadership culture change, everything in this paper can be applied to almost any type or dimension of culture change a team or organization may be working toward. Further, our approach draws heavily from the field of program evaluation; we have been evaluating our leadership programs for more than two decades and have a number of principles and methodologies for doing so (see Patterson, Stawiski, Hannum, Champion & Downs, 2017). However, culture change is not programmatic and therefore we describe some of the ways we have had to adapt our approach to fit the needs of culture change initiatives.

How Focusing on Impact is Beneficial in Leadership Culture Change Initiatives

Given that culture change initiatives are not simple or fast, they often require substantial resources including time, energy and potentially money (e.g. hiring consultants). Therefore, a leadership team undergoing a culture change initiative may want to see their “return on investment (ROI).” In this sense, a primary purpose of the evaluation may be to demonstrate results, and help leaders justify change efforts to stakeholders. However, and perhaps where learning is more important, there is also a very clear need to monitor progress, understand dilemmas, test assumptions, and adapt plans and approaches along the way. Also, at a broader level, practitioners can benefit from understanding what leadership culture change models work the best, what challenges are common, and what outcomes are realistic to expect.

There are several ways of thinking about why focusing on impact may be important:

(1) Framing the change: Focusing thought early on what to measure can actually improve alignment between leadership culture needs and goals that will inform the solution(s). For example, working with a change leadership team who wanted to become more “interdependent” we helped facilitate dialogue to help them get aligned about what that meant to each member of the team, what they believed interdependence would help them achieve, and to uncover assumptions about what it would take to get there. This helped us create a visual representation of the way we believe the desired changes would occur, and what would happen as a result.

(2) Informing the Change: Gathering data early and often helps inform the change learning process, and track progress in action development change teams along the way for the purpose of making improvements and adjustments in real-time. One example is that a team of researchers at CCL led by Kristin Cullen-Lester used network analysis at the Duke School of Nursing to analyze a network and identify individuals who were

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2 To do this, we also draw from evaluation approaches that are better suited for complexity (e.g. Preskill, Gopal, Mack, & Cook, 2015; Patton, 2011), the field of organizational learning (e.g. Preskill & Torres, 1998) and many other areas.


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influencers and appointing them to the change steering committee to enhance the credibility of the committee and the process.

(3) **Demonstrating Results**: Focus on impact to assess what results you are or are not achieving with the current approach and investment. KONE, a global leader in the elevator and escalator industry worked on transforming their leadership culture with the help of CCL and was able to triple customer satisfaction, reduce safety incidents by 70%, and increase market share and profits significantly,\(^4\) which they attribute in part to development of their leadership culture.

(4) **Learning to Improve Future Approaches**: Measuring impact facilitate and add value to the learning process and future decision-making for a particular organization or more broadly for the field. For example, an organization may begin to learn to question their strategy and culture change goals more over time (e.g. based on what we’ve learned in the past, do we really need to achieve “interdependence” as an organization?).

**And that’s not all! A bonus effect specific to leadership culture change**

There is a bonus reason to integrate evaluative thinking and methods with your leadership culture change efforts. Strategically and collaboratively collecting, sharing, and making sense of data about your leadership culture is in itself a practice that can help develop the leadership culture.

Typically, the purpose(s) of your evaluation will lead you to developing evaluation questions — these questions frame the type of data you need to seek, and guide the hypothesis and rationale of your study. Additionally, with broad evaluation questions to guide you, not only is the data you gather more strategic but also the dialogue used to answer some meaningful questions are themselves change interventions. See Appendix A for sample questions.

**Mindset Shifts Required in Evaluating Culture Change Initiatives**

We believe that when evaluating a change initiative specifically dealing with culture, there are some mindset shifts that may be especially important to consider because the internal nature of beliefs and assumptions presents some unique challenges compared to more observable, outcome-centered, programmatic leadership development interventions. Perhaps the most relevant challenge requiring new mindsets is that culture change is not linear, predictable, or controllable. Therefore traditional approaches will likely fall short.

Here are the major shifts…

- **From linear and pre-determined plan to adaptive and iterative**

  We know from experience that it is not possible to know when you embark on a culture change journey precisely where you intend to end up and precisely what you plan to do to get there. At the same time, it makes good sense to start with the end in mind and think through the assumptions and logic of what it will take to achieve the desired results. Having high-level agreement about intended direction and strategies, and explicitly stating assumptions about what you’re planning, is a good start. The plan and activities can be developed as hypothesis, and altered along the way with data input as the initiative unfolds.

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• **From waiting to deliver a polished report to using data in real-time to facilitate learning**

If your only goal with evaluating a culture change initiative is to provide documentation to stakeholders that you were able to achieve results (e.g. perhaps to your senior leader who sponsored the initiative, or to a funder), a final report from the “expert” may be all you need. But that is seldom the most effective way to promote learning. We find it is much more important to get data that can be used to understand what is going on in the strategy, the culture, and the business and adapt as necessary with sensemaking among the people living in and contributing to the culture. The expert consultant doing all of the sensemaking largely defeats the purpose of gathering the data in the first place. Waiting until it is too late to be useful to share results, and spending more time on the eye-catching graphics than on the dialogue to often a sad reality. The learning, discernment, and change by the stakeholders most invested in the culture change is the purpose of such initiatives and the evaluator’s role must shift to accommodate.

• **From only senior leaders are informed to everyone sees and has the opportunity to make sense of data**

Too many times we have seen data access limited only to a small group of stakeholders. At best, this elite group discusses the data and uses it to make some important decisions. Because part of the goal in change of leadership culture is to engage people in the learning and change process, we believe that including them in all aspects of the data cycle (from determining what data to collect to collecting data, making sense of it, and acting on it) can be effective. In addition to engaging people, it can demonstrate transparency and can yield richer insights by “crowd-sourcing” the meaning making.

• **From relying on pre-post survey data to integrating multiple methods**

The most common method of measuring changes in organizational culture (at least of the examples documented in the literature, and based on our experience) has been the use of a baseline and “post” (or sometime later…) organizational survey. We also use this method at times for identifying where specific progress has been made. However, we believe that there are other select methods that can be helpful in evaluating culture change efforts. Ideally, multiple methods, including some qualitative in nature (surveys likely included) should be used to maximize the learning potential.

• **From measuring results as separate to ongoing evaluation as integral in the change process**.

In our experience evaluating programs is often thought of as a separate activity — a staple-on afterthought, that adds additional cost. If there is no plan, budget, or mandate for evaluation, the show (initiative) will still go on. However, we believe that culture change efforts should be thought of differently — very differently. Impact evaluation has the potential to promote new ways of thinking, create new practices, shape discussions of the use of data, and provide a practice ground for dialogue and a structure for collective learning. While the culture change show can go on without it, we argue the reviews and ultimate outcomes are likely less impactful and positive without it.

In table 1, we illustrate a few examples of how different data methods helped produce insights, and the ultimate results of developing the leadership culture.
Table 1. Illustration: Evaluation of two Leadership Culture initiatives

<table>
<thead>
<tr>
<th>Organization</th>
<th>Challenges</th>
<th>Data Methods</th>
<th>Insights</th>
<th>Ultimate Results</th>
</tr>
</thead>
</table>
| People Flow Inc. | Shifting global markets with increasing competition; casual family-like culture; strong technical expertise and weak leadership capability | Qualitative methods and sensemaking from Executive Team (using Dialogue tools, Story-telling) | -From internal focus to market & client focus  
-From either-or, to both-and thinking  
-From independent beliefs-in-action to collaborative beliefs-in-action  
-From “drive-by” blaming to 100% collective ownership | Industry Leadership in:  
1. Safety  
2. Customer Sat.  
3. Employee Sat.  
4. Profitable growth |
| Manufacturing Inc. | Shift in system & structure from traditional hierarchy to a flat, customer focused, process-centered organization | Interviews across the supply chain; brief pulse check surveys; Focus Groups; Observations | -From conformance to boss, to independent action process teams  
-From task focus to customer quality process context + task focus  
-From belief that we make parts to belief that our tools shape the world | Sustainable industry leadership in select business segments  
-50% reduction in returns quarterly for three years |

What to Measure: Tips on Where to Focus

With everything that goes on in a leadership culture change initiative and highly intertwined with daily operations running the organization, there are myriad possibilities of what you can measure. With culture change, cause-and-effect is difficult, maybe impossible to pinpoint. Once you have focused time articulating the logic of how your organization can go from current state to required state, here are some helpful starting places to consider:

- Identify a few (2–3) underlying beliefs of the current and required culture and assess how they shift over time (e.g. a belief that our professional relationships can’t withstand honesty, or a belief that internal competition is better than competing in the market)

- Identify a few (2–3) interpersonal practices that change over time to be aligned with the culture change (e.g. when working together on projects, we start practicing inquiry more deliberately)

- Identify the Structure/Process/System changes that shift over time (e.g. a new way of doing performance reviews is implemented so that people get more direct and useful feedback more frequently)

- (Longer-term) Identify 2–3 Organizational outcomes that are most likely to be connected to changes in leadership behavior and capability (e.g. engagement scores, customer satisfaction, retention of key talent)

How and When to Measure: Specific Methods and Timing Considerations

Once you have some general direction on your measurement and evaluation goals, questions, and focus areas, you will need to select methods. This list is by no means an exhaustive list of options, but here are some examples of methods that you may consider. They range from more thorough and rigorous assessments to quick and easy check-ins that can become routine. You can think of a methods toolbox that you can return to and select from as the culture change efforts and evaluation plan unfold.
• **Engagement and other organizational surveys**

While engagement surveys do not exactly measure leadership culture, they can measure elements, antecedents, or outcomes of leadership culture. For instance, you can assess the extent employees feel they can trust senior leaders, managers, and colleagues, which is one element of a more advanced leadership culture. Other surveys can measure innovation, shared direction, developmental climate, and many more constructs that may be connected to your leadership culture.

• **Pulse checks**

Pulse checks (e.g. mini surveys) have become a popular way to do a quick, periodic assessment of what employees are observing and experiencing. Waggl is an excellent example and option for quickly pulsing employees about what is going on in the organization AND for engaging them in the leadership culture change process. With this tool, employees are asked questions (rating-type questions are an option but open-ended questions are always part of a Waggl survey). After responding participants can then see others' responses (anonymously) and vote for the responses they like best. They can also view data dashboards with the results from the ratings questions and the open-ended responses with the most votes. For example, with one team who was working on creating a more honest culture through the use of direct feedback, we pulsed team members about the extent they were sticking to their commitments to be direct and honest, and to provide examples. This method not only serves to assess progress in the culture, but also to keep the culture change goals top of mind.

• **Repeated-measures network analysis**

If you want to understand patterns of interaction in your organization, you can use network analysis. Benefits include measuring how leadership is happening within different clusters across the organization. You can identify if there are individuals or groups where the leadership culture may more closely resemble what you are striving for in the organization. Optionally, you can use a repeated-measures design 1–2 years after developing the leadership culture to determine if the desired patterns of interaction are becoming more prevalent in the organization. The downside of this methodology is that it is expensive and time consuming and there are a number of reasons that networks may change over time that may or may not be related to the culture change (e.g. turnover).

• **Engaging “Culture Observers”**

One of the best ways to know if the leadership culture is changing in an organization is to watch and listen for the changes you’ve identified, using techniques from anthropology and ethnography. One approach to do this systematically is to designate a group of individuals in the organization to be “culture observers.” Culture observers can double as “change agents” or can just be employees willing to participate. They are trained and reach agreement about what indicators they are interested in observing, then they pay attention to what they are seeing in their everyday interactions and record what they are seeing before coming together to assess the progress or the barriers to progress they are seeing. For example, “culture observers” may be watching for evidence that beliefs and norms around risk-taking are shifting. They can collect both quantitative (# of times they see a leader encourage a risk) or qualitative (an example of when they observed a leader react to a risk gone wrong).
• Rubrics

Rubrics paint a picture of different levels of progress on culture practices. Rubrics like these can be used by culture observers or change leadership teams to discuss and assess progress over time. It grounds people around some agreed upon criteria for assessing whether progress is being made. Individuals first assess where the organization is on certain practices or elements of leadership culture. Then, through dialogue, they discuss the evidence they have for the rating they’ve given. Evidence can include survey data, personal experience, discussions with colleagues, business metrics, and more. Creating a rubric collectively is a great way to gain alignment about what you’re trying to change and what different levels of success would look like.

• Story-telling

Incorporating story-telling into the evaluation approach is very appropriate for culture change initiatives; as described by McGuire (2015):

(Stories) are a view into the half of the organization not seen in spreadsheets, operations reports, and strategy documents. Because stories link us to deeper organizational realities of culture, politics, beliefs, and practices, they are also important vehicles for creating changes in organizational direction. Just as a tribe, village, or country uses myth, imagery, and stories to convey key reasons for past change, leaders can craft stories for the same purposes.

Inviting, listening to, and analyzing stories, particularly stories that highlight beliefs and how they had to shift to take a new action, can provide insight about how an organization’s culture is shifting over time, and what factors may be contributing to those changes.

• Other qualitative approaches

Conducting interviews and focus groups can be very insightful but also time-consuming and labor-intensive. They may be useful at the beginning of a culture change initiative, and at critical points such as annually or when major organizational changes are underway. On a more regular basis, there are other ways to get qualitative insights (other than those discussed already). One example would be to change the structure of All Staff meetings so that the last 15 minutes is spent focusing on a discussion question in small groups and capturing high-level insights. For example, posing the question: What impact on collaboration (positive or negative) have you observed since we changed our rewards system to be team-based?

The timing of your measurement and evaluation efforts should coincide with your timeline for developing your leadership culture. If you are always working on your leadership culture, you should always be using data to help inform where you should be focusing, and which approaches are working best for you. If you have a 2-year “culture change” project, your evaluation design should start alongside the start of the project and involve ongoing data collection, reporting and sense-making throughout.

Harvesting and Putting Data to Work

You’d be hard-pressed to find any OD consultant, program evaluator or generally reasonable individual who does not agree with the following: Data should be used to gain insights, make decisions, or take action. This section includes some best practices and ideas for how to make sure you put the data to use.

(1) Have a data use plan from the beginning.

When possible, before collecting data, decide how you will use it. It is easy to come up with questions to
add to a survey, thinking,” wouldn’t it be great to ask employees for suggestions for improvement?” But, who will be responsible for processing the data, sharing the data, and taking some action? It is not possible to anticipate exactly what you will do—that depends on what the data tells you. But be clear on WHY you are collecting data and what you are hoping to learn. And have a high level plan to make sure the data do not just sit unused in a database somewhere.

(2) **Review data and make adjustments to your leadership culture change initiative in real-time.**

When it comes to assessing how your leadership culture efforts are unfolding, nimble and agile analysis of data in testing hypotheses and scenario planning can be practical and powerful in the change learning process. Collecting data only to wait months to produce a lengthy written report is often not very useful. Conditions change too quickly in organizations to wait around too long for information. It is more useful to have immediate, in the moment feedback so approaches can be adapted in the moment. Further, there are so many tools currently available to help, such as practice-user-friendly data dashboards, pulse surveys that immediately tally and share results, and more.

(3) **Engage multiple individuals and groups in the sensemaking process**

Sharing data with the people who provided their input and/or who the data are relevant to builds trust, and encourages a more collaborative approach to changing the culture. Using data as a catalyst to engage people in meaningful dialogue is not just good evaluation practice, it is precisely how leadership culture develops. See Exhibit B.

**Exhibit B. The Fishbowl**

Traditionally, when a leadership team sponsors an organizational survey, they would be the first to see the results, they would have a chance to discuss and debate the results with a small team of trusted colleagues and then determine how to share the results and craft the right message about the results before sharing that with the rest of the organization. It may be an All Staff meeting where someone is designated to put together and present a summary of results to the employees, invite questions, and then move on. One of the best practices of using the data is to share results with the people who provided data. So, in this case, at least that is happening. But there are other approaches, too.

With one senior team we worked with, they administered a survey to the part of the organization they were responsible for to assess various dimensions of leadership strategy. Very soon after receiving the results (they did get to see them first), they called an All Staff meeting. Instead of presenting to the staff a carefully selected deck of PowerPoint slides, they sat in a circle, inviting the staff to sit around them. They were in the fishbowl while everyone else observed. In the fishbowl they engaged in an honest discussion about the results — both what delighted them and what concerned them. Then, the observers were asked to talk about their reactions to what they had heard. This is an example of a more transparent, open approach to creating dialogue.

**Conclusion**

We believe that any team or organization working to develop their culture can benefit from thinking about the impact they want to achieve early, and use data to drive insights throughout the change process. From experience, we have seen that using evaluation for framing the change, monitoring progress, evaluating success, and continually learning from major initiatives will strengthen your leadership culture initiative, lead to well-informed decisions, and maximize the learning not only for an organization but for the broader field of practitioners who are striving to lead culture change initiatives.
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### About the Authors

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**Tracy Patterson** serves as Director of CCL’s Insights and Impact Group which supports CCL and the field to increase the impact of leadership development through evidence-based insights, comprehensive evaluation, and client-focused research. In this role, Tracy partners with CCL colleagues, clients, and external partners to identify organizational and leader needs, articulate program outcomes, and evaluate initiatives for improvement and impact. Tracy has over 25 years’ experience in program design, management, and program evaluation with an emphasis in the government, nonprofit, and health sectors. Since she joined CCL in 2003, Tracy has designed and implemented evaluations of leadership development programs for a wide range of organizations including those in public health, healthcare, pharmaceuticals, food and beverage, finance, retail, and government.

### Appendix A:

We often organize our evaluation plans according to the high level questions we seek to answer; evaluation is a form of inquiry. The focus of the inquiry will depend on the overall purpose of the following table summarizes different questions that can be answered through evaluative inquiry and methods, depending on the overall purpose of evaluation by rows, organized by the needs of organizations, practitioners, and the broader field (adapted from Stawiski & Patterson, *Evaluation of Culture Change*, American Evaluation Association, 2015).

<table>
<thead>
<tr>
<th>Organization-Specific</th>
<th>Why Evaluate Leadership Culture Change Interventions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>“Framing the Change”</strong></td>
<td>• Why do we need culture change?</td>
</tr>
<tr>
<td></td>
<td>• What would success look like?</td>
</tr>
<tr>
<td></td>
<td>• How will we know if we are moving toward the required culture?</td>
</tr>
<tr>
<td></td>
<td>• Are key stakeholders aligned about the need for change?</td>
</tr>
<tr>
<td></td>
<td>• What is developing, and how?</td>
</tr>
<tr>
<td></td>
<td>• What beliefs exist about how to achieve the desired culture?</td>
</tr>
<tr>
<td><strong>“Informing the Engagement”</strong></td>
<td>• Are we headed in the desired direction?</td>
</tr>
<tr>
<td></td>
<td>• Has the desired direction changed/shifted?</td>
</tr>
<tr>
<td></td>
<td>• What are others in the organization seeing and experiencing?</td>
</tr>
<tr>
<td></td>
<td>• Where should we focus our efforts next?</td>
</tr>
<tr>
<td><strong>“Demonstrating Results”</strong></td>
<td>• What evidence do we have that our culture has shifted in the desired direction?</td>
</tr>
<tr>
<td></td>
<td>• What are we getting out of this investment?</td>
</tr>
<tr>
<td></td>
<td>• Are the changes we are making helping us execute our strategy?</td>
</tr>
<tr>
<td><strong>“Learning to Improve Future Approaches”</strong></td>
<td>• Would we try a similar approach in the future?</td>
</tr>
<tr>
<td></td>
<td>What parts of our models and processes are having the most impact?</td>
</tr>
<tr>
<td></td>
<td>• What aspects of the context played a role in the success of this engagement?</td>
</tr>
</tbody>
</table>
APPENDIX II: CASE STUDIES
Toward Interdependent Leadership Culture
Transformation in KONE Americas

By John B. McGuire and Charles J. Palus

Case

The focus of this chapter is the development of a leadership culture, capable of strategic execution in an organization that is facing the complex challenges of an increasingly interdependent world. Our work indicates that we can improve the probability of success in culture change by following five principles in a four-phase methodology. This is illustrated in the case of KONE Americas and their multiyear, guided transformation journey. It moves from their legacy as an achievement- and conformance-based culture to a much more collaborative, interdependent, and successful, industry-leading organization. Key lessons revolve around the idea that culture change is an organic public-learning process with inherent risks and rewards, rather than a step-by-step cookbook approach. Executives do the change work first, link it to the business strategy, and move toward engaging the whole enterprise in corresponding zones of parallel, multilevel development. From the outset, a collaborative learning mindset sets the tone for the change process that advances toward an increasingly more interdependent leadership culture.

Introduction

A declaration of interdependence is underway (McGuire, 2010). There is an evolution in thought and action in which leadership is increasingly understood as a process shared by people throughout an organization or society (Drath & Palus, 1994; Drath et al., 2008; Denis, Langley, & Sergi, 2012). Collaborative work across boundaries is required to design and implement bold strategies in a complex and changing world (Ernst & Chrobot-Mason, 2010; Pasmore & Lafferty, 2009).

But collaboration in most organizations is not a natural act. A shift in thinking is usually required for genuinely collaborative work. Everyone says they want changes in leadership behavior, to be more interdependent in work processes and shared systems, but mostly that hasn't happened. How did we get here?

Change programs tend to follow a step-by-step process following change models or a model such as the Kotter model (Kotter, 1996) or they tend to be more organic (Cameron & Quinn, 1999; Dennison, 1997) using large group and appreciative inquiry types of methods (e.g., Weisbord & Janoff, 2007; Cooperrider, et al., 2000). In a sense, regardless of the approach, most successful change models are organic in the sense that change is dynamic and organic in nature and rarely follows a cookbook approach. The approach presented in this case is intentionally an organic approach based on the assumption that people are complex human beings with minds and imaginations and beliefs and that they need to be engaged and involved in order to learn and change.

Intentional transformation toward a leadership culture of interdependence is feasible under the right circumstances. Our work indicates that we can improve the probability of success in culture change by following five principles in a four-phase methodology.
Principle 1: Culture change is a guided, public-learning process.

You cannot simply manage people into change. The guide role in a public-learning change process is about becoming a trusted partner who helps to steer change. Playing a guide role with executives is about engaging them in a learning process in which they experience for themselves the shifting boundaries and conditions inherent in culture change. Our litmus test for the probability of success in culture change is the degree to which a senior team is able to accept the risks and vulnerabilities inherent in public learning (Bunker, 1997; McGuire & Rhodes, 2009).

Public learning for the individual includes truth-telling, revealing mistakes, admission of not having all the answers, and of sharing confusion and even uncomfortable emotions. This is an inside-out experience of our imagination, emotions, and human spirit. Everyone has a sense of belonging in a culture that tugs back at the urge to change. Clients must confront the risks they take and the vulnerability they feel in change that triggers fear, uncertainty, and anxiety. But with proper guidance we can discover that change also holds innovation, creativity, and joy.

Principle 2: Executives do the change work first.

Executives must lead by engagement and example in the transformation process. Senior leaders must own and model the new behaviors first. They begin by creating an environment of credibility (Marshall, 1999), before immersing larger numbers of key leaders in the change process. Developing senior leadership’s capability to deal with increasing complexity is core work.
Principle 3: Develop vertical capability.

Dealing with the increased complexity across organizational boundaries and market systems requires more mature minds. Foundational to our approach is the vertical framework for changing leadership culture. We chart development stages from dependent to independent to interdependent leadership cultures (Palus, McGuire, & Ernst, 2011). Advancing through stages of development together grows people increasingly capable of sophistication in the face of complexity (Drath, 2001; Torbert, 2004; Kegan, 1994; Wilber, 2000; Petrie, 2011). Every interaction in our development process is focused on growing bigger minds and both-and thinking that can deal creatively in the face of complexity.

Principle 4: Leadership culture changes through advancing beliefs and practices (behaviors) simultaneously.

Best beliefs drive best practices drive best beliefs — like an infinity loop, beliefs and practices are mutual and interdependent. Advancing to a next stage in leadership culture requires developing a self-reinforcing web of beliefs and practices that requires explicit shared, public understanding and practice. Culture change requires changes in behaviors. Some argue that you have to behave your way into new beliefs rather than believing your way into new behaviors. Our work develops mutually reinforcing beliefs and practices in parallel.

Principle 5: Sustainable culture change is a learn-as-you-go process embedded in the work of the organization.

Leaders need to learn new beliefs by inventing and testing new practices — new ways of working together. To get to that shift we help clients to learn actively as a core work practice. We insist the work in culture is as equally important as the work in technical systems and processes; that culture development is the work and not a separate “training exercise.” People must take the time for both action and reflection in a learning process — to invent and see and reflect and believe in change that is working.
Culture-Change Methodology:

Our approach uses four broad, overlapping, reinforcing phases and includes two essential ideas. In the initial phases we insist on improving the probability of success by assuring organizational readiness to do the required work. This work is not for everyone. We measure readiness early by senior leadership’s willingness and ability to engage in the learning and change process. As the work advances we build culture change first within work groups and then across those groups that develops toward a critical mass for enterprise-wide change. Our goal is to eventually involve everyone in the organization in a learning process that creates trust, ownership, and increasing forms of interdependence. These overlapping and parallel phases are as follows:

1. **Discovery Learning**  
   *Determining Willingness:* establishing the feasibility of entering the change process

2. **Players’ Readiness**  
   *Developing Understanding:* growing a deeper appreciation of the long-term implications of integrating a new culture into the organization’s work

3. **Game-Board Planning**  
   *Framing the Change Process:* practicing interdependent leadership through mapping business and leadership strategies, the learning process, and organizational work targets

4. **Playing the Game**  
   *Building Capability:* simultaneous and parallel implementation, already established in parts, into the whole organization
The KONE Americas Case

KONE global, a Finland-based 100-year-old firm in the elevator-escalator industry, had a compelling vision of urbanization and people flow. In 2007 the financial crisis was in full swing, but KONE Americas expected to feel the impact later than other industries due to the lag time from contract to construction. KONE Americas thus had a brief window of opportunity for parallel development on three key fronts:

A. To prepare the business for a significant market downturn in new equipment revenue and margins
B. To pursue industry leadership
C. To begin transformation of the leadership culture toward the interdependence required for strategic agility

The senior vice president of human resources had initiated talent management processes, including succession management, and a performance process, and compensation system that could engender collaborative work. In addition he had provided individual development for the top 250 leaders. In the fall of 2008, he came to consult with us about the next HR-driven development plan. He walked away a day later with an unexpected epiphany. He shifted to see that a sustainable culture change toward interdependence would mean a major mindset shift to “leaders developing leaders.” He clearly saw an alternate future where true ownership of business, system, process, and people development would be required by all senior leaders working together — well beyond the traditional view of HR being responsible for the development of the culture.

When we engaged with KONE Americas to pursue this path, we found a company with an uneven past. They had been a US company acquired in the 1990s by KONE, and they had a primary identity in heavy industry operations where project management and financials were the focus. A strong, family-based culture was evident with interpersonal connections dominant. The next decade brought a variety of challenges, from a difficult adoption of an enterprise resource planning system, to important improvements in both the new construction and service businesses. A few new executives were added to the team to assure healthy business transitions. Then the current CEO arrived.

Throughout 2007 the new CEO had reorganized into an integrating structure, created trust by retaining and redirecting almost all the previous senior executives, and was leading the business methodically through practical, incremental improvements. They had quickly proven their operational ability in the selection and rapid achievement of business improvement targets — they were confident in saying:

“We can achieve any goal we bring a unified focus to.”
The CEO’s early declarations of the importance of leadership stood out. He declared that how work was done was as important as what work got accomplished. His vision that they would be known in the industry for leadership as much as for high-quality performance was unusual. However, it was evident that being “comfortable” in a fourth-place position in the increasingly competitive industry was not sustainable. Deeper change was needed for a robust, strategic future.

We observed a culture where attention to accountability and discipline were practiced, but inconsistently, and where open conflict and direct feedback were avoided. Strategic leadership was not a strong capability. The business environment was seen as “comfortable,” yet not ready for a more challenging future.

Over the next three-and-a-half years we would engage every employee in the culture transformation process. We took an action research approach to our work (Torbert, 2004; McGuire, Palus, & Torbert, 2007). Our focus was on invention more than intervention. We did not rush through an outside-in process to force our client through a transformation. Rather we helped our client live the transformation from the inside-out as the client cocreated it and experienced it unfolding.

Phase 1. Discovery Learning

How can we see and talk about leadership culture, together?

In 2008 we conducted interviews with the executive team (ET) in preparation for the initial discovery workshop. The data revealed a team of independent managers, competent in their functions and line business roles. Some trust had developed in the CEO and confidence in his endurance was rising. The culture of independent achievement was characterized by both unit performance and internal competition. However, there was reportedly a lack of consistency in process and performance to standards down into the field. Ownership, accountability, discipline, and trust across boundaries were reported by executives to be varied. The ET, under the CEO’s direction, was a highfunctioning driver of operations from the top. Together their collective business operations knowledge and competence was impressive. However, they met monthly only by teleconference for half a day and with an operations-only agenda.

The discovery workshop was a two-day off-site meeting designed to measure leadership capabilities and gaps, as well as to test the willingness and ability of the team to engage in transformation work. The participants were in the driver’s seat of assessing their own capabilities as needed to meet their complex challenges. They discovered their inability to have truly collaborative conversations. They observed a divide between line and functional managers in their understanding of the company’s strategic direction. They acknowledged their shaky trust in one another and their reluctance to confide in each other. They faced up to their avoidance of conflict by “putting a few fish on the table” (their language for “undiscussables” [Argyris, 1985] or “elephants in the room”). They diagnosed themselves as an independent-achiever leadership culture among the top leaders, with a dependent-conformer leadership culture in the customer-facing front lines.

Prior to the discovery workshop the executives reviewed the design outcomes. Participants had all agreed to the expectations of public learning. Agreeing to an idea and the direct experience of living it can be distinctly different. A point of truth occurs when individuals pass into and face a new cognitive-emotional reality that exposes their anxieties and taps vulnerabilities.
With the KONE team we practiced a disciplined dialogue each half day of the workshop. In dialogue we keep advocacy in check and encourage mutual reflection and inquiry. The client’s job at this point in the process was to explore, uncover, discover, and learn — not problem solve or take action, not just yet. We are practicing the development of an intentional openness that public learning requires. These executives moved cautiously yet incrementally forward into greater degrees of openness with each other about the realities of their business issues and the truth of their cultural beliefs. During the fourth dialogue session, key executives chose to risk public learning; this was a tipping point for the team. Previous undiscussables surfaced and truth-telling was practiced. As deeply held issues surfaced the team began to challenge each other to a commitment to develop the team and the culture, to take time out for learning. Finally, they ventured toward making decisions and taking action to resolve the issues they uncovered. They chose to move beyond the constrictions of their financial environment and began to meet monthly face-to-face to invest collectively in development for their future. Another outcome was to carry this sense of unity and intention forward to their teams early in 2009 at the annual meeting. And while taking this risk elicited a range of responses from excitement to confusion, the executives’ commitment to culture change extended the discovery phase into the Top-100 senior leadership very quickly. Their commitment to the development process was becoming clear.
Leader: The role of a person who participates in the process of leadership.

Leadership: The social processes producing the outcomes of direction, alignment, and commitment among people with shared work.

Leadership Culture: The self-reinforcing web of individual and collective beliefs and practices in a collective for producing the outcomes of shared direction, alignment, and commitment.

Leadership Development: The expansion of a collective’s capacity for producing shared direction, alignment, and commitment.

DAC: The outcomes of the social process of leadership are shared direction, alignment, and commitment (DAC).

Interdependent: A form of leadership culture or mindset based in the collaboration of otherwise independent leaders and groups.

Independent: A form of leadership culture or mindset based in heroic individual achievement.

Dependent: A form of leadership culture or mindset based in conformance or tradition.

Vertical Development: Transformation of leadership cultures or mindsets from dependent, to independent, and to interdependent, such that each more capable successive stage transcends yet includes earlier ones.

SOGI: The social processes of leadership operate, and can be developed and analyzed, at four nested levels: individual, group, organizational, and societal ($ for Society, etc.).

Culture Tools: Tools and methods to help people see and experience, reflect upon, and then begin to intentionally and strategically shape their culture. “Quick” tools are portable and adaptable with ease-of-use for groups.

Discovery: Beginning, and then tracking, the process of culture change by deeply understanding the future vision and strategic purpose to be pursued.

Public Learning: Learning as a group activity, such that potentially difficult topics require social risk-taking and personal vulnerability as they are explored with the goal of shared insights and better solutions.

Four Arts—Dialogue, Headroom, Inside-Out, Boundary Spanning: The time and space for leadership groups to practice extending internal experiences, that expand public learning across human and system boundaries, and channel better design choices into organizational action.

Dialogue: A public learning conversation that temporarily suspends judgment and explores underlying assumptions across differing perspectives with the goal of shared learning and deeper mutual insight.

Headroom: The time and space to model risk-taking in public that explores breaking old patterns and experimenting with new behaviors, and that lifts up, or vertically advances, the leadership culture toward interdependence.

Inside-Out: The subjective, internal individual development experience of focus on imagination, intuition, curiosity, emotions, identity, beliefs, and values.

Boundary Spanning: Seeing, bridging, and leveraging five types of group boundaries: horizontal, vertical, demographic, geographic, and stakeholder.

Beliefs in Action Storytelling: A type of dialogue using personal and shared stories about experiences in the organization that illustrate how changing beliefs result in different kinds of actions and a changing set of outcomes.

Learning Pathways Grid: A public learning technique for debriefing a difficult interpersonal situation that looks at outcomes in terms of actions and the assumptions and beliefs underlying those actions (Rudolph, Taylor, & Foldy, 2001).
Throughout 2009 the executive team faced emerging business challenges, launched strategic groups, established foundational beliefs of the new culture, and pursued industry leadership in several sectors. Their catchphrase for taking time for learning and development was “slow down to power up.” A strong joint commitment allowed us to attend ET meetings and to participate in their work interventions directly. This provided a practice field for developing new behaviors and beliefs. They created four strategy teams that spanned boundaries, including non-ET members from across the enterprise to focus on strategic finance, operations best practices, and environmental excellence. And they established a leadership strategy team hosted by the CEO. Our early work together was already transforming the culture across select work groups and advancing the achievement of industry excellence across the business.

One business challenge stands out as exemplary of the pursuit of industry leadership. The company took a risk in abandoning a base revenue stream by attacking an industry standard solution with a more expensive, but operationally superior eco-friendly elevator. They made great strides in working collaboratively in field teams that were piloting safe, quality installation, pursuing stretch goals, and improving margin. We assisted this work with multiple opportunities to observe and participate with their culture in action. We helped them understand it in terms of culture stages moving along the dependent to independent to interdependent pathway, and to plot goals and strategies for development. One strategy was to create a fishbowl—a transparent “learning lab” environment in which action, reflection, and collaborative engagement were normative. We invited and fostered this public learning atmosphere where using quick tools (tools that can be used in the moment) alongside the four arts expanded the headroom for deeper and bigger minds. Our four practical arts of development and tools that build interdependence allow multiple right answers to emerge, where the best, most organizationally powerful ideas win, rather than the best individual’s argument winning. Interdependent thought is “both-and” thought that transcends either-or thinking. We operated in this headroom expanding bigger-mind environment using both right brain, image-based tools (Palus & Horth, 2002) to spark imagination and connections, and left brain, cognitive strategy and learning tools. We used action inquiry (Torbert, 2004) processes that spotlighted behavioral practices and revealed beliefs in action and their results. We also practiced storytelling as a vehicle for conveying learning and best beliefs in action stories that can lead to best practices.
One executive team meeting was a turning point. Through the dialogue process, a hidden assumption was unearthed. While the executives had aspired to an interdependent culture for formal leadership (themselves and the Top-100), they had assumed that front line, customer-facing, union-member technicians would continue to be managed with traditional command-and-control practices. During a mindset-expanding dialogue, they discovered and confronted this belief. They were stunned by the implications of their assumptions. They had increasingly discussed a customer-driven future and the crucial growth of KONE’s service business depended on the technician-customer relationship. How (they asked themselves) could technicians, the most important link to customers, not be engaged in the culture of interdependent collaboration? These technicians are often on customer sites for extended periods of time and sometimes carry as much influence as formal managers in the customer relationship. In addition the technicians’ collaboration with each other, the client, and the customer team is a key to success in implementing myriad business process improvements and sales and services initiatives. This learn-as-you-go moment became a linchpin in the future of developing and changing the culture.

Also during this phase, an appreciation of the importance of beliefs as the driver of behaviors emerged. A breakthrough off-site was held in which senior leadership dialogued, argued, discerned, and formed their new beliefs that grounded a conscious, intentional pathway for the new leadership culture. They defined in behavioral detail their four foundational beliefs in which they would:

- conduct business with interdependent-collaborative mindsets;
- be customer-driven in every thought and action (beyond merely another “customer-focused” environment);
- take 100% responsibility for the enterprise. Accountability was elevated beyond only individual performance or unit/function success;
- expect integrity as the value base for everything we do.

They took great care to define these beliefs as relevant for the organization. They explored a wide range of examples to bring to life the beliefs critical for building organization-wide understanding. The senior leadership team united around these transformative cultural drivers. Most importantly, they developed these beliefs using criteria required to achieve industry leadership. In this transformation work we never talk about a “desired” future state, rather we always emphasize a “required” vision and understanding of the emergent future — one that is essential to both run the business and meet investors’ performance requirements today, and capable of framing and executing future-focused unfolding strategies.

One year into the change process, the stage was set for the transformation process to move to the middle tier and front lines of the organization. This would mean not only reaching forward toward a new beliefs-driven mindset, but also reaching back into the past to examine old and competing beliefs that were operating unconsciously.
Phase 3. Game-Board Planning

Framing the Change Process

By early 2010 the ET was clearly and observably practicing their new interdependent culture. They were ready to advance the culture further into the organization. The next annual meeting of Top-100 leaders in Mexico was the next arena for slowing down to power up as they leaned further into the culture change.

Building on the leadership strategy work and their progress in the field in their own teams, they decided to formally launch the campaign of an interdependent leadership culture and its four beliefs. To grow and sustain the culture, the focus on the five targets of industry leadership would prove to be essential. This strategic work for future progress would serve as the arena for developing the culture through practicing the four beliefs. It would also launch their journey of leaders developing leaders, a crucial “learning-laboratory” step in the transformation process.

The ET chose to jointly facilitate this learning lab in Mexico alongside CCL. Our CCL-KONE partnership was itself experiencing a transformation. These senior leaders would graduate from being the subject-learners of their own development to the object-teachers of the next wave of the development of others. Playing and coaching are related, yet each requires distinctly different skills. As we engaged in preparatory work, we practiced public learning together, using the culture tools to practice interdependence in “live” sessions as our clients shifted into teacher/guide roles. They gained a deeper understanding of how to practice the four arts of public learning in dialogue, creating the environment of headroom, inside-out reflective learning, and modeling the boundary spanning culture at a new level of thought and action. This new guide-role, public-learning space enabled people to break out of old patterns, explore embedded assumptions, and try out new thoughts and behaviors.
References


CCL Partners with Graymont to Align Leadership Culture with Global Strategy

About

An emerging global leader in the supply of lime and limestone products, Graymont serves major markets throughout the United States and Canada. As the second largest producer in North America, it has extended its reach into New Zealand. Professionally managed and family owned, the company has roots stretching back more than 65 years.

The Challenge

Graymont was working to successfully execute an ambitious strategy. The executive team recognized that they had to be intentional about shaping the culture and creating an organizational leadership capability. They needed a trusted partner to support them. Over the years, CCL had been delivering a custom individual leadership development program for Graymont. Given the relationship, CCL was the natural choice to work on this major initiative to support the transformation of Graymont.

The Solution

Facilitators play a powerful role when they can help individuals or groups discover for themselves their strengths and weaknesses. This is how CCL partnered with Graymont. “As opposed to a consulting company that might work with an organization and prescribe solutions based on their own data, CCL actually worked with Graymont so that they could create their own data, and build their own new reality,” said John McGuire, a change leadership expert and one of three individuals from CCL who worked with Graymont.

CCL started its work with the Discovery phase by guiding the Graymont strategic leadership team through a series of learning conversations. The goal was to help them to align on this new strategy and then to discover and define the elements required for successful execution from a culture and strategic capabilities perspective (among other areas). From this process, the team came away with a key realization: they wanted to pursue the new strategy but didn’t have a strong enough organizational leadership culture in place to succeed.

As a result, CCL provided tools on how to move a leadership culture from one stage (mostly independent) to another (more collaborative). It wasn’t enough to look at this theoretically. The team needed to actually apply new leadership practices to their own challenges before rolling out to the organization. Over several months, CCL’s experts attended Graymont leadership team meetings to observe how they addressed key business issues and
then followed up by showing how different tools could be leveraged to live out the new culture while executing the strategy. Eventually, the leadership team was in sync and then could lead the cascade process. During a two-day conference, the Graymont strategic leadership team—with CCL’s guidance—shared their own learnings and taught the leadership tools to next level managers.

“The response was very positive,” said Rob Van Nus, VP Human Resources & Corporate Services. “This was ‘train the trainer.’ As a strategic leadership team, we had to lead by example. It provided credibility and showed that these materials weren’t going away as we were teaching the tools and had invested in them ourselves.”

The Impact

“The new strategy meant new ways of working,” said CCL’s Nick Petrie, Global Solutions Faculty, Americas. “Previously, different plants all worked more independently. Now, there is more consistency and centralization across all operations as a result of decisions being made for the benefit of the company and not just the specific plant. This led to significant efficiency gains and increases in operational productivity.”

As a result, some of the key benefits for Graymont include:

- Good progress implementing the strategy and an increase in the value of the business.
- The capability to successfully execute complex transactions (divestitures, and domestic and international acquisitions).
- Improvement in environmental and safety performance.

“This in the midst of an enormously challenging business environment,” said Van Nus.

At the leadership team level, there were numerous breakthroughs. Case in point, for many years the leadership team had strong differing views about how many and which strategic issues to prioritize. With CCL’s support, the team came to agreement on how to proceed once they understood they were dealing with a polarity. Many within the team were pleased as this lingering dilemma had once seemed insurmountable.

“The whole experience has given us leadership muscle to do things we didn’t think were possible,” concluded Van Nus. “CCL has been a part of this success by helping us build leadership capabilities to take advantage of opportunities and create value for the shareholders.”
Abrasive Technology Inc.

A Leadership Culture Transformation Case Study

The Challenge

Abrasive Technology Inc., a traditional manufacturing firm founded in Middle-America in 1970, had grown to be a successful, international company supplying fine grinding tools. They owned first or second place in multiple niche markets such as medical, dental and lapidary, and continued to innovate toward other emerging markets such as aerospace. Their strategy had been to constrain growth only to highly specialized markets with high barriers to entry, limited competition, and where confidence in their product development was high.

Now, after forty years of success the founder and CEO, believed he had a second strategy worth pursuing — to place the workers closer to the customer supply chain in order to improve product quality, and to improve quality of work life for employees, and to remove traditional management from the organization. The idea, triggered by and conceived within the reengineering movement of the 1990’s, was to create a Process-Centered Organization (PCO). This outside-in, external structural strategy of the PCO, was intended to in turn produce an inside-out reaction, with workers engaged internally through their curiosity and imagination for learning, and to allow for a great spirit of engagement and participation in the work. The idea was to create the conditions to generate more innovative and collaborative mindsets for all.

Specifically, the PCO structure had removed all traditional management, and replaced it with a very flat organization — there were only Process Engineers (PE), Coaches, and Associates — and everyone was an Associate. Organizational strategy was done through a Strategy Committee of five people, and overall coordination of the business was ushered by the Leadership Team comprised of the PE’s and Coaches, who were assigned in pairs, positioned horizontally across the supply chain in a dozen process teams constructed around key tasks required to fulfill the end-to-end enterprise process. This flat, horizontal organization was meant to invite and motivate Associates into a new mindset of participation, engagement and ownership. But old habits and embedded beliefs die hard. Associates continued to see the Strategy Committee and the Leadership Team as just another form of management, and their behaviors in response to the PCO did not change — at all.

CCL had been providing ATI’s core leader development for some time. So when the structural shift of the PCO alone did not yield the behavioral results intended, they invited our leadership culture transformation practice to talk about and explore alternative approaches. The inclusion of process reengineering skills in our design and delivery team was paramount for the client.

CCL Response

Our design thinking-based approach led us into three primary areas of discovery in the initial six months:

1. the identification of the leadership culture’s key beliefs and practices required of all associates in order to implement the PCO,

2. the leadership strategy for the leadership team to implement in parallel with the PCO business strategy, and

3. the leadership development architecture required to achieve the shift in culture.
The traditional history of ATI had created dominant leadership from the top, through a strict hierarchy. The expectations of conformance to standards created also a consequent, dependent mindsets across employees, used to following rules rather than thinking for themselves. Now, the PCO required at least more independent mindsets by all Associates. If implemented, this dependent to independent culture shift would be enough to assure the individual freedom to engage with colleagues in the new organizational processes. We developed a maxim partnering with the Strategy committee to reflect this change: I am a member of my team, my team can make decisions and take action for the benefit of our customer. This goal of independent mindsets within each team was supplemented with more interdependent, collaborative mindsets as the goal for all the PE’s and Coaches. The development idea was for the leadership team to provide the end-to-end reengineering architecture, and the collective capability for the whole enterprise system, while each process team would have the freedom to maximize quality within their tasks and functions. These required shifts in beliefs and practices in interpersonal interactions.

For example, beliefs about giving and receiving feedback required evolving into more and better forms of conflict; and decision-making had to shift to a shared process where risk-taking in order to learn and improve processes were new practices. All of those changes in beliefs would significantly change the nature of organizational practices across the supply chain process. Easy to say — hard to do.

Discerning a leadership strategy to achieve these mindset and behavior changes was complicated. We had done a thorough job in discovery to clarify the business strategy and tactics in detail, to define the kind of leadership culture and capability required to implement that strategy, the talent requirements and consequent shifts from an HR function into an employment and coaching process, and refinements in organizational design of the PCO.

And yet there was also a simple, core concept that emerged from the Strategy Committee, in response to an inquiry about leadership strategy. After a thoughtful pause, the talent PE responded: “to take time-out for learning.” Her insight was that the PCO needed to become a learning organization, and that in order to achieve that, people undergo a radical change — that they must take time to pay attention to the process, reflect and consider alternatives, take the time to talk and dialogue with each other, and to make better decisions and observe if they were producing better results. This nugget of the leadership strategy (take time out for learning) became a compelling maxim around which the frameworks of leadership development were built.
Our leadership development architecture was designed to produce one form of independent Direction, Alignment, Commitment (DAC) within the Associates leadership culture, and another form of more interdependent, collaborative, both/and capable DAC for the Leadership Team. Consequently we designed a team based learning process for the Leadership Team to guide with the Associates. This Action Science-based process we call Action Development utilizes a long-term series of facilitated workshops aimed at embedding a learning process within the team and across teams, for the primary purpose of strategy implementation.

To explain briefly, we designed a series of large group workshops for all Associates within each of the manufacturing plants. This was expensive investment to close plants and lose productivity, and sent a clear message to associates of the importance of strategy and culture work in improving connected leadership across the PCO. These plant-based, large group workshops provided the space and time for genuine invitation into the spirit and purpose of the PCO, plus they also delivered an orientation to the invitation for their participation in leadership, and the requirements of strategy, mindset shift, and behavior change. The workshops introduced and afforded experiments and practice with key learning tools and practices such as open dialogue, team workstyle choices to support learning work, and Explorer tools. The large group (200+) workshops also framed and set expectations for the action development work within their process teams, and framed the goals, roles, and interdependencies with the PE and Coach in each team.

Our CCL facilitation role was to guide the long-term action development work through a series of quarterly learning process workshops. In addition we partnered in the design and facilitation of bi-annual leadership team retreats for over three years. Our closely aligned partnership with the Strategy Committee was key to successful design and operational integrity of the action development work. Our philosophy of tools and knowledge transfer with and to clients was fulfilled as the Leadership Team replaced our provision of facilitation. We remain thought partners with the organization, sharing insights and learning from each other about the process of transformation.

Implementation Process Highlights

A few primary tests in implementation highlighted challenges.

4. Virtual collaboration across multiple sites was initially a logistical and trust barrier.

5. Diversity within same site was challenging with as many as six languages and ethnicities represented in one case.

6. The coaching role combining both traditional employment practices and the new learning process roles was paradoxical and challenging.

7. Levers of control were tested as the leadership mindsets began to shift; while many horizontal boundaries were effected, reengineering the entire supply chain did not occur.

Several successes were attained in the venture.

8. Our advisory consulting role with the Strategy Committee provided a center of the learning journey where the business strategy and leadership strategy were continuously integrated.

9. Learning as a public, interpersonal, skilled practice was eventually established across the Leadership Team and within most of the process teams.

10. Innovation in the talent process and the learning process sets potential new industry standards for this region in American manufacturing.
11. Significant agility in the PCO processes were tested and achieved during market shifts.

12. The PCO concept was tested, implemented, and proven successful.

13. Business performance measures were improved consistently up until the global recession.

14. The Leadership Team became a self-sufficient entity, leading in the process improvement of the PCO, and incorporating a number of more interdependent beliefs and practices in the leadership culture and nature of DAC produced.

15. The vendor-client partnership was a deeply committed, mutually shared, design and learning journey.

**Action Science, Measures, and Evaluation**

This leadership culture development framework was a low-tech operation fueled by observable human systems and relationship interactions. It was a primary research and development sight for our action research agenda, and in addition our evaluation was focused at two levels: the impact on the organization’s performance goals and the mindsets in action shift across the leadership culture.