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LEADERSHIP IN CHANGE

The IMO Methodology in Action



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Leadership in Change
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Introduction

In this book you will find a more in depth look on how leadership and change go together.

Leadership is something different then management. Management runs the operations, whereas leadership guides the process of change and development of people and organizations.

Leadership is based on the personally acquired skills and insights, while management is more based on concepts and systems that have a general functional nature. To make things happen in a new way, all persons that are involved are challenged to express their leadership.

It is for this reason that change is not working well through the management channels, going in a vertical way top – down. Change works in a horizontal way, going through the different parts of an organization.

This book helps you to explore this theme. You will find leadership exercises in this book that can help you in this exploration to experience and also to apply.

That will stimulate your leadership in your company.

Chapter 1: The leadership steering change question

Management and Leadership

I will start with the theme of the difference between management and leadership.

The first idea is that an organization is a human creation. We create the organization ourselves. The organization as a human creation has two dimensions.

The first dimension I have called the vertical dimension. It's based on hierarchy and on its functionality. It's about the different hierarchical levels, but also about the different departments: it is differentiated. It's construct flows top down and bottom up. This one dimension of the organization we know very well. It's working with power and discipline to make things happen. Everybody has a certain hierarchical position, has also a certain power to make things happen. Our operations, our day to day business takes place in the vertical construct. This vertical construct is like a pyramid, with the top upstairs, the professionals downstairs and the management in between.

There is not only a vertical dimension and reality in an organization but also a horizontal dimension and reality. This horizontal dimension differs greatly from the vertical dimension. The horizontal dimension makes things work and it exists in that we work in processes, creating things and reflecting on things and we do this in cooperation and dialogue with one another. It also has to do with the impulse, the essence of the organization, and the essence of oneself as a leader. Therefore, in this horizontal dimension, we have things like **co**ordination, **co**operation, **co**munication. It's something that we do together. And that makes the thing work.

One can say that in the vertical dimension the day to day operations, which are very much result and output oriented are of great importance. The key word for the vertical reality for me is “discipline”. That we do what we have to do in a disciplined way.

The horizontal dimension is what happens between us and in that horizontal dimension, development and change takes place. And that is more input oriented. Like your reading process will be more input oriented. Change and development is based on a learning process in which you get new ideas. It brings something inside your company and inside yourself. You can start to learn and start to work from that. It's more about understanding and seeing the sense of things, ‘why we do certain things in a certain way’.

Vertical is management. Horizontal is leadership.

I think, interesting for the position as executive is, that you have these two dimensions to take care of. So, on the one hand you have to organize the work. You have to create conditions for the people that work with you in your teams. But also, you have to develop a good personal dialogue with the people in your organization so that they can really become committed and involved to start to make things happen. You are on the cross-point of the vertical operational management dimension between the top and bottom and the horizontal dimension where you, together with others, create and steer the realities and lead the community and lead the people in the process and have them involved. And that is much more of a personal thing.

Management is much more functional and therefore you have many management theories and concepts of how to organize things. But leadership is a very personal thing and it is based on your personality and on your leadership skills. It is based on what you have internalized and learned throughout your life.

Management and Leadership qualities

Management is creating conditions on three levels.

You are creating a **vision and a strategy and goals** that give direction to the company; you're also creating **structures and systems and procedures** as a context in which the people have to work. And you create **workplaces, tasks, and functions**. This is the organizing element needed to create the conditions for the people and for yourself that can make things happen and will allow the company to move in a direction that it wants and needs to in order to be successful.

Leadership connects to leading people, especially in **creating improvement and change**. The organization is a human creation, and time and again, what we have created disappears in a certain way and we have to recreate it again and again. We also have to **improve things**, not just once in a while but again and again because the things that we have created lose their sense and lose their power over time. For example, let's say we have created the procedure for quality improvement and after one year you notice that the procedure is not working very well. You now have to change/improve the procedure and the way of quality improvement. Or in HR you have certain systems and you see that they are not working very well and require change and improvement. Improvement and change are actually a continuity for you to do together with your people. That requires good leadership, **creating good processes, creating good dialogue, and creating good personal and organizational development**. This is a leadership challenge that is given to each and everyone and also to oneself.

Change and improvement

Leadership is very much connected to change and to improvement and change and improvement are consistent elements of the job. I see this in many companies that I work with in the 11 countries where IMO is active such as Brazil, Russia, China, Italy, Holland and so on. They are a variety of big and small companies, including industrial companies, insurance companies, banks etc. They are all searching for ways in which they can improve and change things for the better, and they have discovered, based

on research that has been done worldwide, that change and improvement do not work very well through the vertical construct because change and development are not an operational issue. It's about something else. It's a different process with a different dynamic. And we are all looking for how we can bring change and improvement to something that is normal. It's something that we learn to do as an essential thing to happen: because change and development and improvement are happening with each one of us, the top, the middle, but also the bottom. In the change process people are invited to start to act as leaders themselves and not just as employees who do their jobs in the context of a set of expectations on how to do the job.

The art of bringing change

The art of bringing change is that the leadership involves the right people in the change process, not only the employees, but also the clients. As I pointed out, change is a different process than the operational work process.

Change processes have some characteristics.

First of all, it is a constant mixture of action and reflection. We reflect on questions such as, how are things working? Are things working well and is it working for the client. We have to research and reflect all the time and not only take action and do things. You have to reflect to come to real points for improvement and we also have to reflect on ourselves. Are we doing things together? Not only what we are doing but also how and why we are doing it in this way? And maybe with these “how and why questions” we find points for improvement and change.

Secondly, it's a dialogical exploration. It's very important that all the people that are involved with a change issue in the company are involved in the process of change and it is not just the boss telling them: “you have to change”. No, we all have to participate in the change process to improve things. In my experience, very often the employees have brilliant ideas about what could be improved but they often don't get the chance to be

part of a process of change and to bring these ideas in, and to try these ideas out.

These change processes are what you can explore in your company.

How can I, as a responsible executive, involve my people, my colleagues, my bosses, into this process of improvement and change.

Change has to do with a better understanding of the sense of why we do things a certain way and only after we try out certain experiments do we begin to understand this. Change is not about making all kinds of big plans, creating all kinds of committees and all kinds of complex projects. It is about finding the right people with the right ideas for improvement, trying them out in practical situations, finding the bottlenecks or the things that are not working well and start to deal with that. It is then that change becomes part of a process in the company that has a continuity and people are involved in it, next to their operational job.

All is in movement, always in development, always in change. To keep the spirit, the impulse and the motivation going, we ourselves and the people have to stay inspired so that we get to the real issues and the right ideas and in this way to develop the real change.

Inner and outer worlds

A very important leadership skill is to connect our inner world and outer world. The world of our inner thoughts, feelings and drives connected with the outer world, the people around us such as our clients, our suppliers, the owners, employees, managers.

How to we bridge these worlds?

We do this with **four qualities**.

The first bridge is observing, **observing the phenomenon**. So not only listening to the nice stories, but listening to what is really going on. What are the facts? What are the phenomena that we can see, that we can hear, that we can feel as leaders? I've noticed in my meetings with hundreds of leaders that good leaders are very good observers. They see what is actually

going on and what the peoples intentions are. So, they're not just working within their own world, but they are really open to observe what is going on around them, and then also to observe what's going on in themselves, and then do something with this.

The second bridge between inner and outer world is **how we express ourselves** in language. Are we expressing our vision and doing it in a way that shows what is really inspiring us? Are we communicating in a way that helps people to focus but also be inspired by what we say and are they willing to go with us to create something together?

Can we develop our observational qualities and our communication skills in a way that creates a bridge for people to follow us, to understand us and to become part of what is happening?

The third bridge is **our judgments and decisions**. How do we judge? Do we have a balance in that? Are we pre-judging, already assuming to know what everybody wants and that we know everything that is important or are we able to create real judgment out of the situations that we encounter?

Judgement building is a leadership quality. Coming to good judgments is the basis for good decision making. It's a key element of being an executive, i.e. to make the right decisions at the right moment. And these are based on our judgments. And judgements are based on our observations and based on our expressions.

The fourth bridge is the quality of **making sense**, of giving meaning. This is something that has to happen all the time because meaning is not just objective. In the situation, we have to give a meaning to the things that we do. It's our job as a writer but also your job as a reader to give meaning yourself to what we are doing and what we are learning.

We must continuously improve and strengthen these leadership skills that bridge our inner and outer world. It will help us to become better leaders, which is necessary, especially in moments of change and improvement.

The exercise

In our first exercise, we will concentrate on what is **my leadership steering question**. It will reflect on your responsibility as a leader in your area. The question is an expression of the connection between outer and inner world. What is it that I'm focusing on in my steering, in my leadership, in leading my people? In the question all is hidden. So, if you have a really sharp, good leadership question, then all is contained in this question and the question will give direction and movement. If you are asking the wrong question then we're concentrating on the wrong things and it will create problems. We have to bring forward the right issue, the right problem so to speak, then you can have the correct observations and give the right direction and movement.

The question is not just something objective, the question changes in the process of exploring and acting. It can become more complex or more simple.

Change is necessary, not only for the outside world but even more so for the world inside ourselves. When we are exploring questions and working with them and questioning the questions, then we can find the next steps to take in the process. The key quality of leadership, I think, is to explore things, to challenge things, to question things, to find the right issues, to deal with these issues, and to find the next steps to do for yourself and the others.

To find your leadership question we shall explore the following:

1. who is the client that I serve,
2. what is my impulse and what is the impulse of the organization and
3. who are my closest companions?

To do this you can take pictures of characteristic situations you're in, and also document the stories belonging to the pictures.

After the individual preparation you can dialogue with two other persons.

Person A describes to person B and C what is to be seen in the pictures without giving them all kinds of background information. People don't need that. They just need a description of what is to be seen in the pictures. What do we see in the pictures? Maybe it's a picture of a meeting that you had. Who are the people in the pictures and what is the meeting about? Persons B and C listen to this and sometimes they can ask a question about what they see in the pictures?

When you have been looking at the pictures and seeing what is there, persons B and C then describe together what they have seen in the photos and then formulate the leadership steering question for person A. It is kind of an amazing thing to try to extract out of these pictures the steering leadership question and to formulate this question. Person A is listening to the descriptions of persons B and C and what they have seen in the photos and how they would formulate, out of those observations, the steering leadership question for person A.

Finally, person A formulates again his or her leadership steering question. This is the key question that you will use in your practice as a leader.

Your own leadership impulse

The leadership steering question is about an issue that you want to bring forward with your people. It has to do with your clients and the company's goals and values. It is about the thing that you want to bring forward with your people, with your team, related to the clients who are important and related to the impulse, the key values of the company. It is the key challenge for you as a person, as a leader, to bring that about. I think it is important because as a manager, you are driven by many things that come from outside like procedures, tasks, jobs, goals, and so on. As a manager you are asked to do, to control and to organize many things. But leadership is based on your own impulse that you want to bring forward. For that you need your team members, your colleagues and your bosses to make that happen. And certainly, for an executive, it's very important that the people observe how you act as a leader and they respond to this.

The leadership question reflects the balance between what the client needs and what we are able to deliver and how we are doing the things in our way. The leadership question is connected to what needs to change and improve. Change and improvement you can bring with your team and your people. So, through this steering leadership question and also this change question, you can focus your team to start to co-create improvements and innovations and to become part of the process of improving and change for what you see together as needed to give a good performance in the operations.

What will be next?

We have started our exploration with: “what is my steering leadership question: the steering question that I bring forward as a leader”. In the next chapter we will explore how to dialogue with my team members to make something happen, to bring them into movement, to raise a certain issue. It is about asking the right questions that will clarify the issue and that help people to find their next steps in their practice. That is a very specific leadership dialogue, an “I” to “I” dialogue.

In chapter three we will concentrate on your vision on leadership. How do you present this vision to your team members and is the way you do this inspirational to them? Is it bringing your people in movement?

In chapter four, we will concentrate on how we can improve our work processes because our behavior is very much defined by the process we are in.

In chapter five, we will look at the steering principles and the guiding convictions that lead the way we act.

In chapter six we will explore the inner voices that lead us in situations.

In chapter seven we will explore working with scenarios to explore the future and come to good decisions.

This is the build-up of the seven chapters.

Homework

It would be very good if you dialogue on these issues of change and improvements in your work with the people you meet, with your colleagues, your employees, and your team members.

What is actually the key leadership question that you will take on and give form. You can clarify your leadership issues in dialogues with these other people; you leading things that you want to bring forward out of your own strength, out of your own leadership. They don't necessarily have to be big things, they can be very small, but they are important. You want to take them on with your team members and start to work on these small kinds of improvements next to all the operational and managerial tasks and jobs you have been asked to do. Hopefully you do these tasks given to you in an efficient and effective way so that you don't waste time and energy on less important things and can concentrate on the things that are really important in your job.

Chapter 2: Questioning the question

This chapter will have two parts. The first part will be about the basic philosophy behind concepts and the exercises that we introduce. The second part will be about the basic concept of how we look at organizations and the human beings in the organization.

The philosophy

The first part will be about the philosophy behind the way we look at organizations and human beings. Before I wrote the book “The Human Creation”, I studied the writings of 33 philosophers who reflected on human existence over a period of 3000 years. Philosophy is in a way asking ‘the why question’. Why are things as they are? This why question is a very important question also for us working in organizations. Are we doing things as we want to do them? This why question is asking for the meaning and the sense of things, it is trying to understand the sense of things.

In our worldwide research we have discovered that behind every important decision in organizations there is the why question. The why question is next to the question of what are we going to do, and also about how are we going to do it, it is about why are we doing it this way and does it make sense to do it like this? So, I think organizational philosophy is quite important for leaders in organizations to reflect and understand why things are going as they go, so that they can better lead the what and how process.

Living in two worlds

Philosophers discovered over these three thousand or more years that we live in two different worlds. One world is the **world of being**, as they call it, and one world is the **world of becoming**. They address our body and our spirit as part of the world of being. We have received this body and this spirit as our personal identity. But the other world, described by philosophers, is the world of becoming, the world of change, the world of development, the world of the human creation. They call that world: the world of the soul. The soul expresses itself in the way we think and the way we feel and it

manifests itself in the way we act. As you can see for yourself, thoughts that we have come and go and feelings come and go. Actions that we take, come and go. They appear and disappear. So, they are not, by definition, part of the world of being but they are parts of the world of becoming. In my book, "The Human Creation", I have described how each organization can be seen as a perfect appearance of the human soul. The organization is part of the world of becoming. It comes and goes, appears and disappears. And we give it a sense. It means that organizations don't exist by themselves, but that we have to recreate them again and again. It's our daily task to create and recreate our organization over and over but not only that, but also give it meaning, asking the why question, so that what we do really makes sense to us and to our clients, to the owners and to the suppliers.

What is important to understand, in my view, is that the world of being is the world of harmonic connections, it means everything is connected with everything. Our body and our spirit are working in harmony. They are part of the eternal laws that we meet and that we try to understand through religion, art and science. But the soul is not harmonic. The soul is paradox. The soul is polarity which expresses itself in such a way that what we think may not be the same as what we do or how we feel about something can be different than how we think about something. So, the world of an organization is not a perfect world. It's a paradox world and that shows itself in the many questions and problems that we have in creating the organization and in giving it a sense.

The soul

The soul manifests itself in our inner life. It also manifests itself in what takes place between us here, between the people. It expresses itself and it manifests itself in the human work, in the human creation. So, it's about the connection between what is going on inside us, what is going on between us, and what is then created out of that by us.

Plato and Aristotle and almost all philosophers described that the soul as an organization is that which happens in space and time. It manifests itself in space and time and comes and goes in space and time. Research has shown that organizations in general exist 12 to 13 years. They then disappear as they were and are transformed into another kind of organization and form a new identity. So, organizations appear and disappear like the soul appears and disappears. In that sense, the organization is the perfect human creation and manifestation of the human soul.

One can say that today everything that human beings have created manifest itself in each organization. It is our history. It is our biography. It's our technology. It's our systems. It's a manifestation of all the inventions that we have made in the past. So, it's a perfect manifestation of all that human beings have created. And in that sense, it's a soul organism.

Threefold structure

We can say that the soul of the human being and also the soul of an organization has a threefold structure.

First of all, we have **a natural soul** which is based on heredity. We are created, so to say, by our parents. We come from a certain region, and perhaps from a certain belief. Our existence is very much connected to the previous generations and in us there is a kind of collective memory of all that has been created by our ancestors. It will manifest itself over time in our soul, where there is this preservation of what once existed. We have parents and we have families. We have a language. We have certain beliefs and a certain history and all this is part of our soul. It's a kind of potential that has been passed down to us from all the previous generations. That is the capital, so to say, that is given to us, our talents, the character that we have.

In a certain way, organizations also have a kind of natural soul. They are formed by an impulse of people who wanted to create something together and that has its own history. It has its own ways of doing, its own culture

and its own philosophy, so to say. And when you enter into a company and you work there, you will meet the soul of this company. When I worked in the Shell companies in my younger days, I met the Shell soul. Each organization has a certain culture, a certain soul, which appears to you and you can experience it when you start to work in the organization. But you can also experience it as a client of an organization in the way the company does things and why they are doing it like this.

We are not only a natural soul being, but we also have **an organized soul**. We are educated people who are formed by our environment and by our studies. When you have studied for instance in America and have lived there, you have been formed to a certain degree by the American way of life, their way of doing things. So, we are educated beings.

The fascinating thing of the soul is that contrary to the body and the spirit, the soul can change and develop. So, our issue of freedom and defining our own destiny as a person, but also as an organization is for a large part in our own hands, we can create things but we can also destroy things. As such, we are also an organized soul. Today we are not only living in the natural context of families, for instance, but more and more we are living in an organized context, like the places where we work, where we buy things, places where we travel to, and so on.

Out of those two soul components, our natural soul, our inheritance history, and our organized soul, the way we have been educated, there rises **an individual soul**, a specific personality, our specific appearance. We all become a unique person.

So, our own soul has a multi-dimensional existence and this is also reflected in the organization. We have an organizational history and we have an organized existence as we work today with the systems that we use. But we also have a unique company identity, we are different than other organizations. It's important to nourish and to care for these three soul parts.

We care for where we come from, our original impulse, for how we do things and why we do things, for the way we organize ourselves and the way we lead ourselves. We care for the space for the individual being as a unique person who co-creates and who contributes.

The existence of the soul

The famous Greek philosopher Aristotle researched very much the existence of the soul. One can say he was a philosopher who grasped the whole existence of the human being and the society around the human being in a very, very perfect way. He says, if you want to see the soul, you have to look at the movement of the body. It is the soul that moves the body: outwardly as the factual movement of the body, but also inwardly.

If we want to see the soul of the organization, we have to look at the movement of the organization and that is something very, very special. For the most part we think when we look at organizations that we look at structures and buildings and products and things like that. Very much matter oriented. But maybe more important for the existence of the organization is the way an organization moves. And one can ask oneself, where is the movement going in organizations?

I see **three fundamental movements**, or one can also say soul expressions. The first one is, that in all the **processes** that we do, we experience the soul. The human soul manifest itself in the course of work processes. Like when we do a seminar process of seven meetings with little exercises and introductions and dialogues: this is a process that we go through together. One can say organization is a process. And the process has to start and has to finish. It repeats itself all the time.

The second key word of the soul of organizations is **dialogue**. We do everything in dialogue. Dialogue between client and supplier; it is a 2-way street between us. Dialogue creates the value, so to say. The value of organization is created in dialogues between clients and suppliers, between managers and workers, between colleagues. It's a 2-way value creation.

And the 3rd movement I call **biography**. It's the history of the organization and the future of an organization. How has the organization developed over time and how has it changed over time? How did it recreate itself over time? Each organization and each human being have a biography, a life story. And this life story carries the sense, the meaning. So, if you want to understand the meaning of your life, you can study your biography, the things that you learned, the crisis that you have experienced. It is the same for an organization. If you want to understand your organization better, study its biography, its history, the moments of development and change.

We can say **we live our life in processes**. The processes have a threefold quality: it has a beat, it has a rhythm and it has a melody. The beat is like 1234 -1234 or 123 - 123. Like in a learning session, we have the beat of 123: an introduction, an exercise, a common reflection. Each process has a beat. It also has a rhythm, a swing, an interaction. And it has a melody. It has a theme, it is about something specific in this process. And what is very important and this has been discovered again by Lean management is, that our behavior is mainly defined by the way the process goes. Our behavior is determined by the process we are in. So, if we do a stupid process in our work, we stimulate stupid behavior. If we do a good process, we stimulate intelligent and good behavior. So much of our behavior in the way we do things in organizations is determined by the way we have created our work process.

In nature, in the natural-cosmic world, we'll see perfect processes, day and night, the seasons. The stars move in a certain way. The sun and the moon and the earth move in a certain way. The leaves on the trees spring to life and they die off again, there is birth and death. It's a world of processes of cosmic nature. They are perfect processes. But in organizations, we have paradox processes. We create the processes ourselves. And as we are not like gods, so to say, we very often create very ineffective processes. We can look, for instance, at the management meeting which may take two hours filled with lots of discussion and lots of argumentation and in the end,

we have no results and we have to start all over again next time. Somewhere our meeting as a process is not working very well. We have to change the process to come to different behavior. So, understanding processes is to touch upon the soul of the organization and when they're good processes, you see them moving, they are flowing and there is nothing nicer for people than to work in a moving and flowing process. When we get stuck and there's no rhythm in it anymore, we are going to be very bored and very frustrated.

The second element is that **we are constant in dialogue**. Dialogue creates values. It creates economic values between client and supplier. It creates social values between cooperating colleagues. It creates cultural values by dialoguing on the why questions. So, dialogue is a very, very important power in our organization and a good dialogue really bring us forward. If we have only discussions and argumentation and battles between ourselves, then things get stuck. Dialogue is creating value in the process.

The 3rd element I mentioned I called biography. **Biography is the context in which we create the sense**. So, to understand our life, but also our organization, we have to study the biography, the life history. That's something that we have also created ourselves. Coming back again and again to the core of our business, so to say, is a biographical question. What is the core of our business? Who are we? What do we want to be for our clients? Why are we doing it like this? Biographical issues.

If we together live in a good process, are in a creative dialogue with others, and are connected to our personal biography and the company biography then our inner and outer world can be well connected.

Our personal and organizational soul flourishes and will be fulfilled.

I think the main task of leaders is to create good processes and stimulate sensible dialogue, to reflect on the essence of what we are doing, and make decisions that help everybody to go further in a good way.

Exercise

In this exercise, we can practice these three qualities.

Creating a good process, doing it in dialogue and concentrating on the sense of things.

It goes like this and I would recommend to you to follow this procedure quite precisely.

Person A formulates the leadership question that you have in your practice today. So, what is an issue that you are struggling with in terms of leadership and leading your people. After person A has formulated the question, person B can ask clarifying questions, to help person A to better tell the story. Ask questions about the experiences and the facts. Person B does not have to try to understand everything. Person B helps person A to better express the story around this issue, this question. Person C, after five minutes of dialogue between persons A and B stops the process and asks person A to reformulate the question based on what he/she said in the first five minutes. So there comes the second formulation of the question, which can be a little bit different than the first formulation. Then after this second formulation, the dialogue between A and B continues where B is asking clarifying questions to help A to better tell the story. And then after five minutes person C asks person A to again reformulate his/her question. So that is then the 3rd formulation of the question. And the question might have changed again a little bit through this process. Then person C gives feedback to person A regarding what he/she has seen as the essence of the story. Finally, person A tells person B and C what will be the next concrete step that can be done based on this process, based on this dialogue, based on this essence. That is the exercise we do to experience these qualities of process, dialogue, and sense making, based on the question that we have and in the end the action that we take.

Six elements of the leadership process

What are the six key elements of what I call the leadership process.

Leadership is in a certain way a dialogical process between people to make things happen, to make change happen, to make improvement happen.

These are six qualities that we have researched over many years in many countries and many organizations, about what is important to make leadership work between you and other people?

The first thing is that we always **start out of a question**, because the question is an expression of this imbalance that we want to bring into movement. We eagerly jump to conclusions and solutions before we have really clarified what the question is that we are talking about. Because we have different views on the question. And we have different ideas of what the question is. So, clarifying the question at the start really helps us to focus and not to just come up with quick solutions that don't work in the practice. So always clarify what is the question we are talking about here, when it is about leadership giving shape to a change process.

The second element is: **work always out of observations**. So, what are the facts? What are the experiences? What are the concrete situations that this question is alive in? Don't jump too quickly to all kinds of opinions about the thing. We have a lot of opinions about things. But they don't help much. It is much more helpful to come to the phenomena of how the question appears in reality in complex situations.

Thirdly: Focus on the real issue and then we can dialogue and **check with each other about our observations and judgments**. We differ in our observations and judgment. We start to see and discover that there is some kind of common element in it that can bring us further with this issue, this question.

Fourth: It's very important to **listen to the stories being told and to try to catch the sense**. So, come to the why questions, why is this important for us? Why do we want to do something with this? And then 'what' and 'how' can we do this? It's very important to listen to the stories and that the stories can be told.

The fifth point is: to be very alert to see what is **the steering conviction in our behavior** in connection to this question. There are certain ways of doing things, we have certain routines and these are based on some steering principles or convictions we have, that it should be done in this way. But the question arises very often because our steering convictions are maybe not

fully adequate to follow anymore. So maybe we should find a different steering principle that leaders follow in dealing with this issue, this question.

Point six is that we can **come to a next concrete step**. So, not some abstract conclusions, but concrete steps that people can take so that the question develops in the practice and changes and creates new opportunities for us to act in a good way.

These are my recommendations for the leadership process.

Be alert regarding the following elements by asking:

1. what is the question that you bring?
2. What are the phenomena?
3. How are other people looking at this?
4. What is the story told behind it?
5. What steering principle is leading our behavior?
6. And then come to the next step.

Then one can see that questions can be solved in a good way. They transform and they bring us further to intelligent steps to take that help us and the business to continue in a good way.

Situations where we cannot find solutions: how to handle them?

In the process, although it's all interlinked, there are sometimes moments where we cannot reach a solution, whether it's the problem of the person or the organization, there are some situations where we cannot find solutions. How should we deal with this kind of situation?

Together you have to take a step to a higher level and ask the question, why is it that we can't find a solution here? Or why is it that we can't agree on a solution or the next step? That could be valuable as soon as you get stuck in the situation with your employee or a team. The moment you feel it getting stuck, stop the process and move one level higher. By that I mean to reflect together regarding what is blocking us or what is stopping us to reach a common solution. We start to notice that people have to open up their inner world a little bit more than maybe has been happening in the first

rounds where you discussed the issue. And then you come to the strength and weaknesses of persons in the situation who are not able or willing to do certain things. And now, as a leader, you have to confront that person(s) and find out if there is a lack of ability, or is there a lack of willingness to come to a solution or to take a step. This is a process of feedback on a higher level and it is not easy to do because leaders often question whether they can do this or whether it is justified to do that?

However, when you concentrate on the issue and really on the question and then come to what is blocking us, it can also be liberating to address deeper points of the soul. It is about our ability and willingness to do what is asked of us in the situation. That's then a personal dialogue where you have to find ways to help the other person to take a step up to that level. To change something in the way the person is acting may require a longer process of coaching.

Homework

In a dialogue with another person ask: what's your question? And then question the question, and the other person reformulates the question. You reflect on the essence of the question of the other person and help this person to find the next step forward.

Chapter 3: Expressing your vision.

When coming home we can share in a very personal way. We can express our feelings. We can share what we have been doing, share some personal issues. We can talk about children and family and things that are happening in the world outside home in a very personal way. We have a certain language inside our family life. I can say to my wife: I love you. But in organizations, we have a different language, we have a functional language. When I work in an organization and I go to my boss and I say to him I love you, I think the boss will be a little bit shocked and say, hey, what is wrong with you? But it doesn't mean that we don't have feelings and intentions in our work life. It is just not common in business life to express your private feelings and thoughts.

We express things in a functional way and what we are going to explore here is the difference between a functional way of working in management and in the operations and a more personal way of working, which is needed in the process of change, the process of development and learning. In the future, we should create more space for the personal dialogue, for improving our work processes together in a personal dialogue, to improve our performance, to learn together and to open up our soul a little bit.

Management characteristics

Let's start with management. I will try to characterize management by mentioning important points to deal with in management.

The first is setting and **working with goals**. This is very important to give direction to our operations, to our work. The problem, however, with goals is that we can come up with goals, but it does not mean, by definition, that we internalize them, that we live with these goals that we make. Setting goals is already a process in which we are challenged to really agree on the goal and agree on what we are striving for. To set goals that are really realistic and achievable. And then, when we arrive at the goal, when we achieve a goal, this is very motivating and satisfying for our work. As managers, we set goals, we give goals, but we are challenged as leaders

together with our workers to really internalize these goals, to make them our own.

The second characteristic of management which is important is that we **take care that the problems are solved**. Problems arise all the time. This has to do with the human soul, because we are not perfect. Very often we are the problem ourselves and it's a continuous worry for managers to make sure that when there are problems that they are solved. If you are not solving problems, then problems will grow and they will become more and more pressing for you. If we have a problem in the way we cooperate in the management team and we don't address this problem then the dissatisfaction will grow and the operational results will diminish. Solving problems is a key element of the management task. And for that, you might use the help of experts to help you to solve them. It is important for the teams, for the people that work with you, that you address problems and that problems are solved so that we can move on. Because if we don't solve problems, we get stuck.

The third element of management is that we deal with the issues, **that we create projects for things we want to achieve**. We want to take steps and we want to create certain operational successes. When issues arise, it's very important to deal with them and to not ignore them. That means that the key responsibility of managers is to take positions, to take a standpoint. It's an important responsibility to make the right decisions at the right moment. If we make a decision today, it doesn't mean that this decision will still work tomorrow. Decisions have to be taken again and again and again. Very often we have made a decision, but there is no action taken after the decision. Making decisions is not only something we do around the table, but it is also putting the process into practice to make these decisions work. Therefore, we also have to coordinate all the time activities, the right activities at the right moment.

A very important task for management is to **develop plans and strategies** and this has to do with the future. Opening up doors to the future depends on planning and developing strategies.

It's important that these strategies and plans connect to the goals and to the issues, to the decisions we make, to the activities that we do. Making strategies and plans is not just work on paper. It's a lively process between the management, the experts, the leaders, and the professionals, so that we are willing and able to live with them and to act with them.

As management we also **make rules and develop procedures to be in control**. Sometimes you make too many rules and procedures which hinder the professionals in doing their work. Sometimes we need a rule and a procedure to help them, to become clear about things to be done, to be in control. It's a key element for management and the way we work as managers. We want to be in control. Therefore, we create systems and conditions that lead to the required results. This is a very operational attitude. And this needs a functional language that we can speak and that we can understand. This is now a kind of worldwide practiced management language, a universal management language.

Management capacities

If you are in management and you have this responsibility, it's very important to be capable, to be qualified to handle these qualities of the management. If you don't do that, if you don't have the discipline to do that, well, immediately, other people in the organization will have problems.

Acting in this operational sphere, managers look beyond the professionals in a functional way, they want them to do the work in a certain way in a certain direction. That's why we call them human resources. People and the professionals are in a way the tools that we have as managers to make the thing work. But the effect is that the professionals feeling of responsibility diminishes. They have no responsibility themselves, they feel the managers are responsible. If there is an issue or a problem, the manager should solve

it. If there is the lack of a goal, the manager should clarify it. We can say that the manager wants the professional to do the right thing in the right way. But the professionals want the manager to listen and use what they say in his or her functioning. The professionals are very often waiting for a dialogue with the manager on the issues that they have. To express what is working and what is not working. And therefore it's very important in the operational sphere that the manager has a discipline to dialogue with the professionals on the way the operations go. Managers and professionals have a different perspective. They live in a different reality.

There is a kind of gap in many situations between what the manager is doing and what the professionals are doing. That's why we address this issue of leadership. Leadership is the horizontal personal dialogue. This is a different kind of dialogue than the functional dialogue that you have with your workers in the operations. It's much more a personal dialogue on the real issues and how to deal with these issues.

If the manager has a functional discussion with the professional, they communicate out of two different worlds. It's very often about organizational things that give dissatisfaction. Very often, it's a kind of negotiating with each other. This is not wrong. This is what happens. All the time we think we are having the dialogue, but very often we actually are negotiating with each other. What can we expect from each other? What is possible, what can be done or not done? It's a very subtle, important process to really come to agreements with each other that work in the practice. But if the managers and the professionals have a horizontal dialogue, much more personal out of their personal leadership, then they can look together at the client and how they serve the client and in serving the client they find a common world. Serving the client is the bridge between management and professionals.

At times, it's very important to have dialogues on how is the work done for the client? How is that going? What is the client experiencing? What is the

client saying about the way we do things and share and discuss this together and then see what makes sense or doesn't make sense.

The conclusion

The conclusion is that when it's about operational issues, which is the day to day work that we do as managers and professionals, we have a functional cooperation, we want to be in control on quality and result, which are key elements when we produce something, when we serve something, when we cooperate with each other.

Then a functional hierarchical connection can work. If we all bring up the right discipline, I think this is a key issue in the operations. We need the functional discipline in what we are doing, a professional discipline. If we can bring up this discipline, so we stick to the things. We clarify the goals, we deal with the problems. We tackle the issues. Then we are handling the power that we have as managers and the contra power of the professionals. We can balance the different interests and stay close together.

I think, in that sense, that management is a young profession. This profession has been developed since World War Two, starting during the last century, in the 1950s. Before that we had owners we had bosses and we had workers. A very important creator and discovery person of management was Peter Drucker. He came from Europe and lived in the United States. Peter Drucker was the one who invented this word management, because only after world war 2, did we start to work with managers. That started a whole new organizational development in that we have managers and employees that would work in the operation in a very structured, systematic way. This was very much influenced by the development of technology and science, which played an enormous role in creating management and operational working systems.

We started to work with systems, logistic systems, administrative systems, human resource systems, Information systems. The organized world became a system and management world, a functional world.

The price that we paid for this was that we lost some of the personal contact in the community, the more personal way. That created a problem because when we really have to change something including change within ourselves, we really need a personal reflective dialogue. It's not easy to change yourself, to change your style of leadership, to change the way of working together. It is not easy to learn to really experiment and to make an intervention in your own way of behaving. We need a different process than the processes we have described here for the management. You cannot change organizations as a management process. We have to find a different kind of process what we call the leadership process.

Management and being an entrepreneur, being a leader

If we refer, for instance, to Steve Jobs, I don't find him to really be a manager, but he is a real inventor, an entrepreneur and a leader. He was a man who was able to bridge the world of managers and professionals. But in my observation, in many organizations this way is not the main stream way of behaving by managers. But there are great exceptions. Managers are not, by definition, leaders of people and leaders of communities and leaders of change and processes. It is the step that we have to take, to become more leaders in dialogue with our professionals, so that we overcome this kind of negotiating type of cooperating, where the manager wants something and the employees say, but this is difficult, this is impossible. However, when we look together, managers and professionals to our clients and to the way our systems work for the clients then we bridge interests and we speak the same language.

It's interesting for all of us to observe in what kind of way we are operating with our employees: more in the leadership style or more in the traditional management style, where you are the organizer and the creator of work conditions.

Leadership

Why do we need leadership and when do we need leadership? A famous expert on leadership, Mister Kotter, once said that under normal circumstances management is okay but when we have to change and develop, then we need leadership. My standpoint and vision is in agreement with that in that we need leadership when we need to change, when we need to develop.

If you look around the world, leaders stand up when something is changing. In today's world economy, things are changing all the time. It can be a new technology or COVID-19 or a different political situation, a different international business situation. Then we have to adapt our organization to the new circumstances. We have to change things and the interesting thing is, that they can be very small changes or they can be very big changes.

As I said before, the normal way of operating in our management practice is not good enough to make change happen. We need a different kind of process, a different kind of infrastructure to make change happen. This is what I call the horizontal way of working. Leadership means leading people and that means working in the horizontal way and that means to bring yourself in as a person to make the change happen, also within yourself. I think leadership and change and development, they belong together.

Research all over the world has shown that 70% of change processes in companies don't produce the desired results. We struggle with change and we meet resistance in creating change. However, this is mainly based on the fact that person A says to person B: you have to change. The manager says to the professional, you have to change or the top manager says to the middle manager, you have to change. But the reality of change, if it concerns our company, is that we all have to change together. It doesn't make sense when one person says to the other, you have to change.

Can we find the way to change our way of behavior, our way of doing the operations, our way of steering a process, our way of holding a meeting, our way of learning together.

How can we make this happen?

This is our IMO specialization. We help companies to find a different way of making the change and creating the leadership in everybody to make the change.

Basically, processes in the company go horizontal, they go through the departments and through the teams in a horizontal way, they go through the different processes. Therefore, we do not need a functional top-down approach, we need a horizontal leadership approach and there are a few critical issues in making change happen.

To make change happen

The first issue is: **who is leading the change process?** Who is the owner of the change process? If there is no leader of the change process, who leads from start to finish, then the process very quickly gets stuck in the operational day to day routines. We don't have time for the change. We don't have meetings for the change. We don't have maybe even an interest in the change. We need process owners who lead the process of change through the organization.

The second element is that **the change process gets the support of the top leaders**. When decisions have to be made in the change process, then the top leader must be available to make the decisions and it is therefore very important that the process owner has the space and the time to mobilize the right people in the change process because change cannot be done by somebody else. If you are not proud of the change process yourself, the change is not going to happen. The key function of the change process leader is to involve all the people that are going through the change process.

Change is not only happening outside ourselves in the conditions around us, but **also inside ourselves**. Therefore, if we are not part of the change process, we are not able to change ourselves. It doesn't make sense to have all kinds of committees and discussion groups. It's much more effective that the process owners invite the people who are to be in the change process to

give a personal and challenging contribution, to do change experiments, to do change research. The people who are invited to participate in the change process give a personal contribution in their own work situation, out of their own intelligence, to make a certain change happen in their situation.

It's a very dynamic process between decision makers, process owners, people who are involved, employees and managers who are involved in the change process. **The goal group of the change process** are all the people that go through the change. They must be part of the process from start to finish. It doesn't make much sense that some people somewhere develop the change for people somewhere else. It's very important and necessary that the people are part of the dialogue in the change process.

How can they do this?

With their operational task, they continue to do their operations, but they participate in the change process by the invitation of the process owner, creating something special themselves and contributing as a person to the change.

Change leadership qualities

The seven exercises on leadership we describe here in the 7 chapters are qualities that we need in the process of change.

The first quality is that we **describe what is really the change question?**

What is really the issue? The pictures show in a certain way the leadership question and maybe show the change question where your leadership is needed.

Finding the change question and **clarifying the change question** is the second quality: to question the question, to deepen the question, to reflect together on the question, to see the different viewpoints of the people who are confronted with this change question, so that they get involved in it and they can contribute by expressing how they see the change and expressing how they see the need for something new to come.

The third quality is **expressing the leadership vision**. If you're leading the process of change, what is your leadership vision on this change process? The fourth quality will be **changing the work process**. Because if the work process is not changed, then the behavior is not changed. The fifth quality is working on **changing the steering conviction** when the steering principle that we practice is not adequate anymore. We have to find a new steering principle in our leadership.

A sixth quality is **listening to your inner voices**. How do you change yourself as a leader? How are you leading yourself? If you cannot lead yourself, it's very difficult to lead others.

Finally, the seventh quality: how to **create a view on the future** with the help of future scenarios.

These are the seven key qualities of leadership in creating change and development.

Finally, as a conclusion, one can say that we as leaders in our company have two responsibilities. On the one hand is a management responsibility in that we must find the right discipline, a way together to be in control. On the other hand, you are a leader, leading your people through the change process in the company.

The effects in many organizations that we have been working with is that there are two realities. One is the operational reality, discussing the issues and solving the problems, et cetera. The second reality is the leadership community, where you and your colleagues are able and willing to change the things that need to be changed and involving the people who will be confronted with the change.

Exercise

You prepare a 5-minute presentation on what is important for you in your leadership and how do you understand Leadership?

Person B listens to what I call the feeling level, so not only to the content of what person A is saying, but more to how is this person connected to his vision? How passionate is this person? Is it alive or isn't it? Person C, the

third person, listens to the will level. Is there a real direction in this vision, is this vision leading to something?

Person B and C reflect together on the working of this presentation.

They are talking about how they experience the leadership presentation of person A. Person A listens to them and makes notes. After 5 minutes of dialogue between persons B and C, person A reflects on what he or she has heard and then formulates a next step: how can I improve the way I present my vision.

Expressing your vision is very important because that gives energy and also new content.

When people listen to you expressing your vision, they can see clearly how you are committed to this vision and that this vision is really the vision in action. If it is just nice words, the vision does not have real power. So, sometimes express your vision in those kinds of situations where it can give a certain inspiration, motivation, and commitment for you and for the other people.

Homework

The homework is that you try to find opportunities in your practice to research an experiment with presenting your vision to your employees, your colleagues, your bosses, especially when you are in the process of change. The amazing thing is that you then appear stronger as a leader in your own personal way. You don't have to copy somebody else.

The first Case: German Sparkasse

I will start with a first case to show you some practice experience.

It is about a German Sparkasse bank. In this bank work 1200 people. They have a central office and several branch offices in town. I was invited by the three directors to support them in creating a new impulse in the bank. They had been working for several years on improving working conditions, introducing new client products, improving the technology and the systems. However, this was not enough to improve the performance of the bank. In our first meeting we dialogued on the issue of lack of performance improvement. We talked about leadership, their leadership as directors, also the leadership of the managers and the way the managers were working with the employees. We also talked about the banks relationship with its clients because in the banking business much depends on the relations to the clients. This bank had about 80% of the people in town as clients and 80% of the businesses as clients as well.

After our discussion they decided that we will do a process on the leadership and on the teams in the organization. This process was called horizontal leadership for the managers and self-steering for the teams so that the teams could work more autonomous, take more responsibility and could also steer themselves better in the way they were doing their job, especially in the way they were doing the work with the client. In our dialogue the three directors and myself decided to take seven offices of this company as a starting experiment. Six selling offices in town and one internal office, the department for organization and IT and we created a process for these seven units.

The first step was that the leaders of these units would do a 360-degree analysis of their leadership qualities regarding the four key qualities of horizontal leadership. First, how am I steering the processes? Second, how am I coaching my people. Third, how am I expressing my vision to my people. The fourth quality is, how do I do interventions when things are not working well? This 360-degree analysis was done with two colleagues, four of their employees and their boss. They gave each one of them a 16-point

questionnaire which they had to complete and give back to the leader. The leader also had to complete the questionnaire himself. Then the leader would evaluate the results in terms of differences between how these people were looking at his leadership and how he himself viewed his leadership. Next the leaders had a discussion with the group on the issues that were raised. It was a kind of self-analysis, bringing up some issues on their leadership and dialogue on them with the key people in a personal way, not in a functional way. This led to some very intense dialogues where the leader could really address some of the leadership qualities, for instance, that the leader was thinking that he was a good coach for his people and for their learning. But maybe the employees said that in their view the coaching was not very helpful or very strong. They could discuss this and how it could be improved upon, because leadership is a dialogical process between the leader, the employees, the colleagues, and the boss.

The second step was that the teams would go through a process in which they would analyze themselves. How autonomous, how self-responsible are we acting already? They also got a little questionnaire on this that I developed. They filled in the questionnaire, and then they dialogue in the team about these qualities of being a good team. For instance, do we really work with our goals? Do we really integrate the new colleagues in the team? Do we work well with our clients? Do we cooperate well with other departments? They would score each question on a scale of 1 meaning excellent to 5 meaning not at all. Next they could talk together in the team about how everybody was seeing these dimensions of being a good team and then analyze a few issues for improvement. So, the teams came up with these issues for improvement themselves. I gave them a kind of small steering instrument with which they could transform these issues into small projects for the team themselves to improve, for instance, their work process or to improve the cooperation with another team, to improve the way they were dealing with each other, to improve the client process.

So the leaders were evaluating themselves and trying to improve their leadership and the teams were going to work on real issues. After this the teams and leaders could discuss together the way they could improve.

We followed this experiment for half a year. On one occasion one of the directors and I went around to the teams to see how they were doing. We talked with the leaders and asked how they were doing and also spoke with the teams about what kind of improvements they were making. It was quite surprising what kind of issues the teams brought up and what kind of improvements they were making themselves. Six units were really making progress and taking steps. One unit however, was not improving and not really finding the way because the leader was not strong in his leadership. The teams in this unit were not motivated to take responsibility and take steps themselves.

After half a year we evaluated with the directors this experiment in the seven units and it was quite evident that when a leader really decides to work on his leadership and when the teams really take on the responsibility to make small but important improvements in the way they are performing as they received concrete tools to do that, then suddenly, the leader and the team are performing better and also the larger unit has a better performance. It provided good results with their clients and led to more business, more client contact, better cooperation and better financial results and that was convincing for the directors.

They decided that we should do a web-seminar because this was all happening after the start of the Corona virus pandemic. We did six web seminars of two hours each over a six-week period with 25 leaders of this company and in each of these six sessions we addressed a leadership quality such as 'What is your leadership question' and 'How to question the question', 'How to express your vision' and 'How to improve the work process'? The leaders in this bank said that it was surprising to them how one could dialogue with colleagues in a personal way on real leadership issues and get ideas for yourself on how you could improve your leadership

and they were starting to practice this. Now, in most departments of this bank, the leaders are initiating the process with the teams and with the team leaders to go down this path of improving their leadership quality. This is what we call horizontal leadership. The teams were getting more responsibility and finding ways with a little steering instrument to improve their performance out of their own initiatives, out of their own ideas.

The evaluation of this process showed that it is not enough to create good working conditions for people in the bank such as good offices, procedures, systems and products. It is also very important that there is a good leadership process at work in the company where together leaders and teams find a way to improve the performance based on their own initiatives and ideas.

The German Sparkasse organization is the biggest banking organization in the world and I have worked with German Sparkasse banks for 40 years now doing these kinds of processes. The banks that have been doing these processes have shown good development and good performance over time. They have shown to be able to handle many different crisis such as the financial crisis, the Corona virus crisis because they have been involving the people in a very constructive way to deal with the issues that arise in terms of surprises or in terms of challenges.

Chapter 4: The work process

The seven exercises

First, we are going to explore a bit more the sequence of exercises we are presenting in the seven chapters. What is the purpose of these exercises? Once more we will present the basic ideas behind the exercises.

We have experienced that organizations have both a vertical and a horizontal dimension. In this cross between vertical and horizontal, we as managers are right in the center of where these two dimensions intersect. On the one hand, we have to deal with form and structure. We have departments, units. We have functions and tasks. We have procedures to follow. We have systems to work with. This is, let's say, to create in a disciplined way, good operational results. On the other hand, there is also this horizontal dimension in which the dialogue between us plays a role. That is about process, about the things that are happening. It's about the sequence of activities that we are doing and the dialogue that we create between us and the client, between departments, between people. I act as a manager in the vertical dimension, where we are creating operational conditions for the day to day functioning to make the work happen in a good way and we solve problems. The horizontal dimension becomes very important when it is about change and development, if you want to improve things, if you want to change things, because we are not moving forward enough and we don't have the results that we would like to see. It is much more about leadership. We have to deal with people in a direct way and we have to move ourselves much more in this horizontal action, in finding the dialogue with the people and create good processes.

The leadership challenge

I think when I look at my work in different parts of the world, managers have been very much part of operations but they have not been challenged enough to take on leadership in processes of change. This was very often handed out to specialists, to consultants. We are seeing that the vertical operations that go top down and bottom up, are not really adequate for

creating change and development. We need something else. We need this horizontal way of leadership. I think that in companies all around the world you see this development happening already. We all become part of the leadership in creating the change. Because change and improvement and development are becoming a consistent, continuous need for organizations to be able to continue to exist. This happens in a horizontal process and in a horizontal dialogue.

The exercises that we present are seven key qualities of leadership that we need in the processes of change and development. At IMO we specialize in this and we support organizations around the world in creating change and development. In the seven exercises you can experience what it means to act as a leader.

What we have been addressing in our first exercise is that we have to find the right change question. Many change processes fail, because they work on a question that is not really relevant, that is not really crucial. **The change questions** are very much “How questions”: how are we going to do this with our client in a different way? How are we going to develop a new product? How are we going to improve our cooperation? These are real important change questions. The change question is relevant for the client, it's relevant for the decision maker and for the key people in the community. They all need to experience the need for a change. So, if it's not important for the client, if it is not important for the decision maker or it is not important for the employees, then this change process that we have started will fail, it will not come to any substantial results. Before we start to do change, we need to investigate if this is really important to us. Do the leader of the company and the key people in the community experience a need for change? Because if we don't experience the need, things will go wrong because of the permanent operational pressures, they will push this change to the side. So, leading change means finding a new balance between the three forces, i.e. between what the client needs, what the decision maker needs and what the employees need in connection to the client. The client is the horizontal force for existence of our company. The

decision maker is the vertical force, the impulse carrier. It's the one who represents a specific culture and quality. On the one hand the community members, you as managers and also the professionals, are the connecting force between the vertical, the impulse of the company, what this company wants to be and on the other hand, what the clients need and what the professionals can do. We have to connect these forces together as community members and find a way to make that a healthy balance between these different interests. The decision makers vertically, the owners vertically, and the clients horizontally. And we as a working community are in between.

When we find the question that we really want to work on, where the change is really needed, then we have **to question the question**, we have to do research. That is what I have been doing with these questionnaires with the leaders and the teams in the Sparkasse case I described before. To find out what is behind the question. It's not just solving a problem, but it is also looking at ourselves, what and how and why are we doing what we do? Is it still an adequate way of doing? Of doing it together. We need a good process of researching the question. For that process we need a process owner, a person or two persons that lead this process of investigating. What is really the question and what is behind it? They dialogue with key people. They investigate the question and reformulate the question as we have been doing in our exercise. In development processes it is about more than acting out certain things, doing the projects and then finish. It's really finding the good ideas, finding the underlying issues and the situations, finding the people where the change must happen. This horizontal leadership means that we take good care of the process and that we dialogue in the process and that we start to experiment with the people who are dealing with these issues in practice, to find new ways in their practice.

The third exercise is to create a perspective for change. To come up with good ideas, we have to start to **express our vision**, ask people to express

their vision, so that we get inspired by new ideas about things that might happen, ideas that we want to make happen. Find the inspiring ideas that can lead us into the future. Vision development is a very big element of the process of change. It is very important that all the people who have to deal with the change in the practical sense are involved in this vision developing process. Not that only some people are figuring out certain changes and then other people have to put them in practice. The people that are affected by the change should be part of the process of change from beginning to end. This includes the vision development and also the question development; we should come together in certain key values and ideals that give us direction in this process of change. Not only change in the outer work processes, policies, but also change inside ourselves, such as the way we look at things and the way we experience things. It's a dialogical process between the people who are involved in the process. There's vision creation to get inspired and to find the right ideas to work with so that we can start to create the change.

We have to find places in our company where the change is really needed and is going to happen. Basically, these places we find primarily in the **work processes** and the way we do the work processes. Very often, these processes have become too complex, or have been influenced by all kinds of things that came from the outside world of technology and of quality systems. They have become a bit obsolete sometimes and have to be renewed. The key element of change always in the end is really changing work processes. Changing work process means that the people who are doing the work process should be involved in that change from the start, so that they are willing and able to really make the change happen. That was what happened in the Sparkasse case I presented when the teams started to look at their work processes. For example, there were queues of people waiting in the sales office, or that time spend on the financing of a clients' project took much too long. You will find the real issues in the work processes and that is where the change has to take place. In the exercise we analyze the work process and look at what the steps in the process are. How

are the people working together and how are decisions made in the work process? Then we find the troublesome spots and moments in that work process where things go wrong, or where there's not good cooperation and where decisions are not made in a timely fashion. To find specific places and situations in the work process where change needs to happen. And then, finally, we find maybe good ideas for improving this work process. Many, many times, I have noticed that the professionals who are doing this work process already have ideas about how it could be improved. These ideas can come to the surface. We can start to work with these ideas that the people have on how to improve their work process. Make the work process simple again, so that it flows better and serves the client better and we spent less energy and create less waste. This is one of the key issues, also of lean management. I've known Mr. Jones, the inventor of "lean", very well. He wanted to enable people to make their processes flow.

In the next chapters we will explore the other exercises in depth. What is leading us in our behavior as a conviction? What is leading the process? What is the **conviction or the principle** out of which we are operating?

In exercise 5 we will explore this in more depth.

We work with **the inner voices** that lead us in exercise 6. What's going on inside ourselves when we are in the process of change and how can I lead my inner voices?

We work with **future scenarios** in exercise 7; ways to look at the future and to develop perspectives of directions in which we can move and grow.

We are all part of the change

It's very important for change processes in the company that all the people who have to deal with the change, such as managers, professionals and the top leaders, are part of that process from start to finish and not just participate part of the way or only at the end. If we are not part of a change process and we're not in the change process, then you will see two phenomena happening. On the one hand people say that they don't have

the time nor the energy and are not really interested in participating in the change process and they just stick to what is in place. Then when change comes to them, later, they show resistance. It's very natural for people to react negatively when somebody tells them that they have to change. They may say that it is maybe not necessary, or it's not relevant, or it's not about me. So, if one is not part of the process we may try to avoid or escape it or if we join in, we do it just for our own self-interest and to create new opportunities for ourselves. If you're part of the whole process of change, then we can balance ourselves in between these two opposing forces and be more creative and productive, also in the change process. If we have people being part of and contribute to the change process, then the process goes much better and we find results.

Exercise on the work process

I will explain the exercise. It goes like this.

Person A chooses a work process in his/her own practice. It can be, let's say, preparing, conducting and evaluating a team meeting. It can be a routine activity that you yourself do as a work process. Person B is going to do a three-step dialogue with person A.

Step one is to write down the sequence of activities in this process. What are the steps to be taken? It's important, not to go into great detail, but to have the main steps and the sequence of the main steps in the process of preparing, doing, and evaluating the team meeting, for instance.

Step two is looking at these activities: who are the people involved and cooperating in this work process.

The third step is: what kind of decisions are made during this work process and have these decisions been taken mostly by myself or by others in that work process and what are the points in the process where decisions have to be made?

Person C follows this dialogue between A and B, and writes it down on a piece of paper or a wall-chart. When I do this myself in a training session we use a wall-chart to write down these things and it makes the process visible to all. Person C writes down the sequence of activities, writes down the

people in it and what kind of decisions are taken. So, after this step, we have a kind of document made by person C on the dialogue of A and B. Please do it in a nice flow. Don't go into too much detail, but do it nice and gently with each other.

Then discuss together about where the trouble spots, the red spots, in the process are and do we have any ideas on how that could be improved upon. For instance, when you have your team meeting, people consistently arrive late and we have to wait 15 minutes before we can start. That is an example of a kind of trouble spot. Our team meeting always starts late and already it's not a good atmosphere. How can I improve that? How can I make sure that people come on time to our team meeting?

So, go through these steps in a gentle way and write them down on a piece of paper or a wall-chart and show this to persons A and B. Then we talk about where it's not working well and what can be improved? What is each person's idea for improvement?

This is how you find a way together on how you can improve a work process that is not working really well. That is the exercise.

Homework

I would like to invite you, as part of a leadership initiative, to have a dialogue with people in your company about improving a work process that is not really going well in your organization. You together with your people really observe this work process that is not really going well and practice this way of finding the trouble spots and finding ideas for improvement, so that together you build up a level of experience that makes you feel comfortable and competent without a lot of discussions. Feel comfortable to change things in the organization, starting from the work process, not starting from discussions about what has to change and how we are going to do it. The invitation is to look for opportunities and to do this exercise with your people on the real work process.

The Case: Terra Viva in Brazil

In this case I give you a concrete example of how the element of leadership and change can work in an agricultural company. The company is called Terra Viva. It's an agricultural company, which was founded by a Dutch couple who moved with their eleven children from Holland to Brazil in the 1950s. They have been very successful in growing plants, bulbs, flowers and vegetables over the years and they had at one time about 2,400 people working in the Company. They own about 20,000 hectare of land in different parts of Brazil. They have two main divisions. One produces agricultural products, mainly potatoes and oranges and the other one grows many different kinds of flowers, plants and bulbs and they sell them all around the world.

This company has a characteristic in that it is defined by the family culture. In the family there were two different opinions about how the company should be developing and they called themselves the capitalists and the socialists. On the capitalist side of the family the family members believed that the main focus should be to create a profitable company. On the socialist side, the family members thought that the company should be a community of people who would have a chance to develop themselves and own their living there. Over the years they have been able to balance these two insights: to balance the profitability of the company with the personality of the company and with the community development, which is very important in Brazilian society.

Approximately 20 years ago I was invited to join this company as their consultant because they needed a new impulse for the management, for the leaders in the company and for the working community. They wanted a change process to improve the cooperation between all of them and to improve the performance in the work processes. In the first year I had several sessions with the general director and the directors of the

company's six divisions to discover what the company's real issues are that we have to work on.

I identified with them two issues for improvements. The first issue was to improve the work processes, because the quality of the plants, flowers and other products was not always of a good standard. They had to strengthen the production capacities and the professional qualities of the people. The second element was the need for improvement in cooperation among the leadership and between the different departments and to strengthen the leadership of the leaders in the different departments. We created two development processes for each of these two issues. One of them focused on improving the work processes and the other focused on leadership and cooperation. Two process owners were selected by the top leader and he asked them as process owners to create, with our help, a process for these two issues. The key idea was that the people in the production areas, which would be most of the people in the company, would work in teams and that it would be a development to help the teams to be much more self-steering. This was a very interesting process. Each team in the company was asked to analyze their own work process and to formulate their own mission for their work and their own goals for improvement. For the first time in the history of the company, the people themselves were very actively involved in the improvement process. For some teams it was difficult to do. They were not used to doing things like that, but amazingly quickly, and that is because of the nice entrepreneurial attitudes of the Brazilian people, they took up this challenge in the teams. They were given a steering instrument for this. In every workplace they put up a big screen on which the data of the projects and the data of the improvements were documented. Everybody could see what the improvements were that had been made by the team. The leaders would check with the teams on how they were doing this themselves and if they were successful in it or not and what kind of help they would need to improve their own way of performing. This led to them being much more in control of the production processes. Growing flowers and plants is a process in nature. It is not very easy to control this process and it needs

much attention from the people to determine whether the right measures were taken at the right moment in the work process.

In the other development process, we did master classes for all the leaders in the company such as department heads, team leaders and directors. They trained themselves in horizontal leadership so that they could see the steering convictions in their leadership and if these steering convictions were adequate and were working well. They worked on improving cooperation between the leaders of the departments and to have better communication and that also included sharing information about the issues more quickly with one another. This was a parallel process where the leaders were trained in horizontal leadership, asking the right questions, sharing their views, visions and building up common strategies.

Over the years these two parallel processes were monitored and managed very precisely. Twice a year I went to Brazil for a period of 10 days each to support this company in doing these activities. I worked with the family members on ownership issues. I worked with the leaders on the mission statement of the company. At the moment, the company is flourishing. It's dealing with the different crisis situations in a good way and new generations of the family, but also, Brazilian people have been introduced into the company and have been integrated into this culture.

So, in the Terra Viva company in Brazil during several years there were two change processes: one focused on improving work processes and getting them more under control and the other focused on improving the leadership, the team leaders and the department heads so that they would cooperate better and learn a new repertoire to lead their department, the team and the company.

Most of the first generation of family members are still alive and are still strongly connected to the company. New generations, family members and connected people have taken over the company and are leading the company in the same kind of spirit.

Chapter 5: The steering conviction

Steering convictions

In chapter 4 we concentrated on improving work processes. The key idea behind it was that the way the work process goes very much defines our behavior. If the work process is simple and flows well, we can act in an adequate way. If the work process is very complex and chaotic, we start to behave in that chaotic way. To influence our own behavior, we need to be working in good working processes. That is one side of the story. In this chapter we will concentrate on the other side of the story. That is the inner conviction that we have in the way we steer our behavior. This is very important in processes of change. Because when we need to change, we also need to change our behavior. We need to change ourselves in the way we look at life and at work and at the issues.

There are **four levels of influence in change processes**.

The first level is **“the who level”**. Who is the owner of the change process? Who is the expert that contributes to the change process. Who are the people in the goal group that are going through the change process? A highly important level for change is to be very clear about who is in the change process, who takes what kind of role in the process and who makes the decisions. First level of consciousness is the who level.

The second level of consciousness is **“the what level”**. What do we want to achieve with this change? What is our goal? What is my responsibility and what is the task that each one of us have? You have to be very clear on the what level regarding what we want to achieve and what responsibility is taken by whom?

Then there is a third level which is a little bit more complex. That is **“the how level”** and this is what we are going to concentrate on in this chapter. How is the process going? How is the steering principle, that is leading us, working? This element of the steering principle, the steering conviction will be our main focus here in this chapter.

Then there is a 4th level. I will call it **“the why level”**. Why are we doing this? Why do we want to invest in this change? It is very important to continuously clarify the why level in the change process from start to finish. Why are we doing this like this? What is the purpose of this change? If we understand together better the why of this change, we can be much more present in the change process, we can start to concentrate on the how level of change: how we are doing things.

The how level

Steering principles, they direct our behavior. I will give you an example. There is a leader in the company who has the steering principle that the people in the company are the most important to him. The steering conviction is that my people come first but in the doing there is a different steering principle at work because this leader is in meetings with clients outside the company all the time. In reality he has very little time for his people. So, although this person seriously means that the people in the company are the most important, the reality is that in his behavior other things like clients and owners are more important than to be present in the company for the people at work. For all of us we can see that there is sometimes a difference between what we find important to take care of and what we actually do. We have two different kinds of steering convictions living within ourselves. There are the things that we think are important and there are the things that we do.

In practice, steering principles are connected to basic values and norms that we want to have in our company. There are certain ways of doing things in the company and we have a certain way of behaving. It is very difficult to change our steering convictions in the way we do things. The way we do things defines the culture of the company. It's the process of becoming conscious of these steering principles in our way of doing and how they work out in reality that makes a big difference. The case is very often that not everybody has the same steering principle living inside themselves. Sometimes we have different convictions, like in the case

example of the Terra Viva company. One group's steering principle was to improve the profits and they called themselves the capitalists. The other group's steering principle was to improve the circumstances for the people at work and to improve the way that the community would act and they called themselves the socialists. There were two contrasting principles and they had to deal with these two principles and still to this day this has to happen to maintain a certain balance.

It's very important that we have some kind of common steering principles in our company that define our behavior. Changing processes are not only changing the outside world circumstances but it is also very much about changing our inner world, our inner convictions and beliefs.

Competing steering convictions

Steering convictions can compete with each other in our behavior. For instance, in my own case, there is the constant competition between two different steering convictions. On the one hand I have the steering conviction to explain what I mean and to be very clear and precise and on the other hand I have the steering conviction that for the learning it is important for everybody to discover for themselves new realities and to work with a question yourself and to be stimulated to go on a journey yourself and with others to explore questions and new realities.

It is very important, in my view in change processes that we are faced with some steering convictions that might not be working very well anymore for our clients, maybe for our cooperation, maybe for the time spirit, maybe because we have new technologies and different ideas about how to run our business. We have to look inside the change process for what is the real steering conviction that we act out of now and is this conviction really still adequate. Are there now different steering principles and convictions and should we start to learn to work out of that new principle together. If we want to change our behavior we have to change dominant steering convictions in how we do things.

Changing our steering convictions

What is the process for changing our steering convictions?

When we become aware of the negative effects of our behavior for example in the way we cooperate with each other or the way we make decisions or it can be the way we come to certain judgments or the way in which we have certain things that block us in how we do things in the company. First of all, it's very important to be open to observe the effects of our behavior on others and especially on the clients and the suppliers that we have. All the people outside the company that we cooperate with are sensitive to the effects of our behavior and start to see that certain things do not work very well anymore.

Secondly, we confront ourselves with the effects of the existing steering conviction that directs our behavior in the situation. So, it's a process of confrontation. When we confront ourselves with the effects of our steering convictions, we can start to notice the behavior of others that might be more adequate. We can benchmark a little bit. You start to see that this colleague is doing work better than the way you do with your behavior. For instance, as a leader, we have to start to learn from others and to explore different ways of behaving as we have seen it working for others. By exploring this, by researching this and by experimenting with this, we ourselves can come to a decision to change our behavior.

It is a very important moment when we make the decision to change this inner element. It is relevant to everybody who is in the change process to come to a point where you have to decide to change your own behavior. And when there is an opening, when we start to explore new behaviors, because it seems to work better for us and for the company, then we can explore this new steering conviction in the way it works and we can start to internalize the new steering conviction between our head, our heart and our hands and that is a very inspiring and revealing process. When we start to experience that doing things in a different way may possibly work much better than what we used to do in the traditional way.

And finally, when we start to apply these new steering convictions together, for instance, that we learn to pose good questions to our people to clarify

the issues, or we express more clearly our vision, then we start to see that it works much better for ourselves, for others and for the company. We have changed something valuable. We have noticed that it works in a positive way. Then it creates an opportunity for the company to survive and to develop.

There are two important elements in the change process. The first element is changing the work process like we explored in chapter 4. Here in chapter 5 it's about changing our inner steering convictions as they relate to the way we do things and that we can start to see that they are no longer adequate. Then we have to find new steering principles, looking to other people and how they are doing things and then experiment with this new steering conviction and try to change our behavior and the way we act in the company and in the work process.

Exercise

It is about exploring our steering conviction. It goes like this.

Person A describes a very concrete situation in the recent past, of which you were a part, that did not work out well. It can be a meeting with a team or a project or something else that you found yourself in and you were not very happy with the way things went.

Describe to person B, C and D where it was, who was there and what happened. The description of what happened should be very concrete and precise like you're describing in detail a scene in a movie from start to finish. Where was it, who was there and what happened exactly in that situation? B, C and D listen as follows: person B listens for the "feeling" level. Person C concentrates on the "will" level. What is the will that shows itself in this story. Person D listens more to the content of the story. What was happening? What was the issue that was going on?

After the story is told precisely and concrete by A, then B, C and D dialogue with each other. What struck us in the story? Then they try together to formulate in one sentence the steering conviction that directed the behavior of person A in the described situation. What was leading A in the

way he/she acted in that situation and can it be formulated in one sentence. So first, you share what was striking and then try to formulate together the dominant steering conviction that was leading A in that situation.

Person A listens to this dialogue between B, C and D and when they have finished and formulated the steering conviction, then A reflects on this dialogue and confirms it or not by asking himself or herself, does that sounds familiar to me? Is this something that is leading my behavior? More often?

A, B, C and D together try to formulate a new steering principle that would have been more adequate for A to act out in that kind of situation.

Case: Eurotranciatuura

Eurotranciatuura is a family owned Italian Company that employs about 1500 people. They make parts for engines such as car engines or engines in coolers and other machines. They deliver their products to the Italian market as well as around Europe and more recently around the rest of the world.

The son in law of the CEO of this company is asked to join the company. He is working in Unilever and after some doubts he decides to make the move. After some years he noticed that he was not really able to lead the company in his own way. He had to adapt to the autocratic style of the CEO.

We met and he asked me to support him in finding his own way in the company. He wanted to improve the performance of the company. There was a lot of waste as 20% of the products had to be destroyed since they were not meeting the specifications. The working conditions for the employees were difficult. Big engines with a lot of noise in great halls were characteristic. A key issue was the lack of adequate co-operation between the production departments and the tool shop. The tool shop had to deliver the tools for the machines to create the right product but they were not able to do that in a good way.

With the director I investigated the whole process from client order to product delivery. We found out that there were in fact two different production streams. One being certain clients needing specific engine parts and the other were clients needing standard parts. These two processes were not separated and so a different way of handling this was needed. The whole company was then rearranged into two separate streams. We had machines and tools for specific big clients like BMW and Mercedes and Bosch and we had standard machines and tools for mostly the Italian clients.

The warehouses were rearranged out of that principle but also the other departments like logistic, suppliers, finances and HR.

The products were better produced and the waste diminished from 20 to 2 percent.

The people in the factory were grouped in teams. They got their own group of machines producing for specific clients. They could understand much better what was expected of them. Each team had a team leader that started to dialogue with the workers on what had to happen and how they could improve their performance. That created a fresh and new commitment of the people at work. Teams were trained and started to take more responsibility for good performance.

The director was happy that he was able to find his own path with the company. However, he had to face his CEO father in law who had a very different style and that caused regular confrontations between the two of them. The CEO started to see the results of the changes that he had had his doubts about and was then willing to change his view and appreciation. That gave a new base for the further development of the leadership in this company.

On this basis they could expand the company to different countries around the world. They explored the opportunity to create a factory in China and in Mexico, which would bring them closer to their international clients and provide them with the opportunity to expand their business over-there.

This process of company development was supported by training the management in horizontal leadership and team-building. The different department heads were coming into closer contact with each other and started to dialogue more on the issues for change. They took more responsibility to adapt their department to the new circumstances.

At a certain moment in the process it became clear that less people were needed in the different departments because of a lean way of operating. First there was the pressure of collective letting people go which started to create difficulties with the labor union. I suggested that they find individual solutions for the people that had to leave the company. Some of them could retire, some of them found new jobs and some of them started their

own company. In the end all found their next step without getting into crisis or the company getting into trouble. It was amazing how different a process like this goes when there is a personal dialogue with individual people helping them to find the next step in their work life.

Chapter 6: The inner voices

The first part in this chapter will be about creating a change process in the organization.

We need three elements to make change happen in the change process.

The first element is that change happens when there is clear **leadership** by process owners, their good cooperation with decision makers and their cooperation with all the people that are going to be part of the change process. Change only works when people act out of their leadership and the change process only leads to good results when people in the process act out of their leadership and that there is a leader for the change process, who I will call the process owner. The process owner invites the people to be part of the process and to contribute to take steps in the change process and also to help the decision makers to make the right decisions. But that's not enough.

We also need **consultancy** as a second element. Consultancy means that we help each other. Change is going in a horizontal way. It's not going vertical, top down and bottom up. We have to help each other in taking steps in creating changes during experimentation. It's good that there is a consultant, somebody who supports the process because he/she has an insight in how change processes happen. Because mostly a change process is new to us. It's a kind of new experience for people to do that. We need consultants that are not the experts who know how to do it but that can help you to reflect on what is going on and find the next steps.

The 3rd element is the **craftsmanship**, that is the professional competence and also expertise of the people involved in the process of change.

These are the three ingredients, leadership, consultancy and craftsmanship.

The leadership process

To start we will look a bit at the leadership process that one can create to make change happen. First is to **create a special process** in the organization for the change to happen. The idea in our methodology is that the change cannot be done in the traditional operational processes as they exist now. We need a special change process in organizations so as to make change happen. Secondly, we need a lot of **coaching** of persons and teams. We need to coach each other and we need to coach teams to find their ways. Coaching is a kind of reflective process whereby we stop and observe what is happening and see what the next steps are that we want to take. The 3rd element is **educating and training**. It is a process of learning new skills, changing attitudes and gaining new insights. In change you go through a process of learning and training.

Let's first look at the process of **creating change processes in the organization**. How can one do that?

What is very important in the change process is to really clarify the change question. We start the process by **finding our leading leadership question**, our steering question, and then questioning the question. In the beginning of a change process, it is about standing still long enough to discover the real question, what is really the change that we want to have happen? Very often in change we move on too quickly and then we end up on paths that don't lead anywhere or to anything. We not only try to find the change question, but we need good cooperation between the decision makers, process owners and the professional consultant who supports the whole process.

It is a very **horizontal way of cooperation** with decision makers. They leave the process to the process owner. The process owner is supported by the consultant. And in the process, we come to points where decisions have to be made. And then decision makers immediately make decisions and don't hesitate and wait for decisions to be taken. We have a good process when the process owner works well with the decision maker and the consultant. Then things can move on and we can go through different fazes.

The 3rd element is that we **mobilize the people** and give them a role and task in the process. It's not just some persons thinking out the change and then other people have to do the change. No. It is the process of mobilizing the right people at the right moment. Give people a role in the process and a task to do in the process and to contribute. This is also very important because often people don't like change. If somebody else drives them to change, they often are not willing to change because they're not part of the process and they have no role in the process. The process owner makes sure that the right people at the right moment are involved in the process and they become part of the change. You become defensive and you resist when you are not part of the process. And that's very human.

The next part is **having meetings to share and find next steps**. It needs a certain rhythm in this special process of change. Not first an explosion and then for a long time doing nothing. We do a step by step process with regular meetings. Every month process owners and decision makers meet with each other. Process owners meet regularly with the people that are in the process to see how they are moving on, the results they create and the experiences they have. So, rhythm is very, very important.

And then finally, when we go through this kind of process, it is not just all only specific and unique. **It also has an underlying dimension**. It starts with *orientation*. We try to wake up for the change question. And when we find the question that we're going to *investigate*, we're going to ask people about this question, about this change and we are going to involve them in our research process. In their own work situation, they will see this need for change and then it leads to new ideas. We help the people in the change process to *experiment* with some of the new ideas. How can we do it different and how can we change our work process and strive in a different way? Or let's try a different kind of cooperation or way of decision making. *Orientation, investigation and experimentation* give us the stuff, the experience, the insight especially for the decision makers to make fundamental *decisions*. They say: this change is making sense, it helps us and brings us further. We are going to move on with this change, we are going to implement this change.

The first phase of the change process is very much reflective, very much investigation and experimentation to get the sense of what the change really is and will we be able to do it? Next, we do coaching and we do training. Slowly we see this making sense and we move our company into a better position. For example, when it's about changing our ways of working with the clients and we see that they appreciate these changes and they support us and stimulate us to go on, then we really come in a phase where we have to *change the work process* and where we have to *learn new skills*. If we change these work processes and learn these skills, which can take time, then at some point you see that it is taking hold *and integrating into the operations*, it becomes our new reality. As we have been working with this for many years we know that these are the key dynamics of the change process.

If you do it vertically by pushing from the top down and doing this all by projects, it will take much longer and it will create a lot of resistance. As research has shown around the world only 20% to 30% of the change processes lead to some kind of satisfying results with the traditional vertical way of working. The chance that we create the change to create a better organization and better performance is much, much higher if the people and the decision makers are involved and committed to go through this process together.

Coaching and feedback

You can imagine that the goals we process in the change can create tensions and bring surprises and sometimes show limitations. But we can handle this when we are involved in the process. When we are not involved in the process we shut down and we just let it go and we loose interest. When we're involved in the process, then it's very important **that the leadership has a coaching style** whereby we help each other and give feedback to each other, in other words we coach each other. Coaching is a reflective process. It's a continuous exploring, touching the point, internalizing what's going on and expressing what you see and feel and

what your point of view is. *Exploring, searching, internalizing and expressing* are the key qualities of the coaching process. We are going through the process because it's not about easy solutions but it challenges us to also create a change inside ourselves. Sometimes we have to let go of some ideas and goals and to change our own way of doing as it is often very difficult to let go of the old and try something new. We need to support and stimulate each other. To me it is very important that there is continuous coaching during the whole change process and that people in the process help each other.

Learning

The 3rd element in the change process has to do with learning. During the process we are also in a learning process. Nobody knows exactly what's going to happen. Nobody knows exactly what will be the result. Nobody knows exactly what is needed over the course of time and so, we do it one step at a time. We have to learn new skills and get new insights and we have to develop our attitude. It is very important that the change process is not just a process of going on and on but a process of learning, reflecting on what's going on and starting to master other things we need to master. It's a process where we as individuals, as people can grow because we are more or less in unknown territory. Then it's very much based on our own leadership and our own willingness as a person to move into and go through the process. We learn new skills. We gain new insights and develop our attitude. And when the change goes well, you notice that the people in the process change the way they operate, but also change themselves in a certain way. They appear as better and more fulfilled persons, as persons that learned something and they can look back on the process with satisfaction and the fact that they could deal with change.

Consultancy and craftsmanship

So next to this leadership development that I described in these three dimensions, we also need consultancy and craftsmanship. **Consultancy** is our IMO role in the change process. We support people and organizations to

reach the goals of the change process. We have experience in this. It helps to have a 3rd force, an external voice be present in the process. The consultant looks at the things not so much captured by the history and is able to more freely, address certain things and express these things and help people to express themselves in the process. We very much rely on the skills of people, their technical skills, social skills, conceptual skills and to use those skills that they have in the change process and appear as a person that has the ability to deal with change.

In the change process, you need consultancy to help to understand the dynamics of the process and becoming able to handle with this specific knowledge the specific quality of the change. But in the change process the people are also challenged in their **craftsmanship**. Managers: are they good managers? If the taxi driver has to change, is the taxi driver a good taxi driver? The change process also challenges people on their craftsmanship, on their professional abilities and stimulates them to work on their professional skills and grow in their professional skills. Change stimulates people to act more as leaders because they're part of the process and take steps themselves but it also challenges people in their craftsmanship, in their profession. If the secretary has to change certain things, it makes a big difference if she is a really good secretary or not. Her challenge is to go deeper into being a secretary by having to change her ways of working.

Statements about creating the change

When change comes down from the top it means that the managers, the decision makers and the experts are working very hard on the change and the people who it is actually about just wait and see what's going to happen. They don't know what the decision makers, the managers and experts want and what it is about. The managers are working harder and harder on this change and the people who it is actually about withdraw. When you're having a project group telling others what to do it will eventually destroy the willingness of the professionals.

Having the professionals involved in the process and discussions on the sense of the change will create a good context for change. In my view, it's very important that the people who are going to change and this can be quite a big group of people, that they as soon as possible are made part of the process and take steps themselves and investigate certain things themselves and be part of the discussions and that they can share, from the start of the change process, what the sense of creating this change is. People don't understand the sense of a change process unless they are part of the process themselves. Having a project group that is very enthusiastic and works out everything in detail and then tells the people to change often destroys the willingness of the people because they don't understand what it is about.

We need the change to be done in a special process by the process owner whereby all the people can participate and contribute. It takes a long time for change to take place when it comes down vertically from the top of the organization and it will take a long time before it enters into the real work processes of the people that work in the organization. If you go in a different way and you have a change process that goes horizontal through the organization it will go faster and gentler.

If management sets the conditions and has the people trained, it will take more time and be more costly. If the people participate in the research and experimentation, the process will go quicker and be cheaper than expected. We found this in our research in companies where we saw how the change process was going, and how these two different ways of working went. It was very striking that when they do the change from the top down and in a functional way it always becomes more time consuming than expected and more expensive and the results usually disappoint. However, if the people participate in the process, the people that are really going to make the change and be part of the search and experimentation, they will open up their soul and they will be much more willing to change their behavior and

try new practices. Very often the process goes quicker and is cheaper than we expected it to be. This is not theory. This is based on observation in the practice.

If we just change structures and systems and we expect people to change their behavior, then the problems will move to other parts of the organization. If people start to change themselves and their process, the problems will be dealt with then and there. This is a very important point when we work on change issues. If the people are part of the process and start to change themselves, they are going to deal with the issue in the situation that they are in. This is also a reason why it goes quicker. It saves time, although in the beginning, the process goes slower, because people have to reorient themselves and investigate themselves. But in the end, it goes much faster and better than when we do it vertically i.e. from the top down.

If you concentrate on internal issues and problems, they will grow. If you concentrate on the client and supplier process, it will give us the right insight as to where we have to work on the internal change. We see there are problems inside the organization. The departments are not working together very well, the team is not working well, we are not making decisions when needed and it is as if things become more and more complex. However, if we start from the client situation and see how the change is needed in relation to the client situation and the supplier situation, then we find the right issues there and they will tell us something about what has to be the change inside the organization, be it the finances or the human resources or the logistics. The need for change comes from the outside in and not from the inside out.

If experts lead the change there will be some optimization of some part however, change is not a matter of experts telling others what the change will be and how the change will be made. Change is led by process owners who have the reputation in the organization of being free people and they have already shown that they can lead others in the organization. They are

much better than the experts at leading the change process in which experts can act and bring in their expertise. Experts are not the right leaders of the change process because they will immediately start to work in a functional way.

If changes are made with more and more projects then the spirit will go down. If there's a clear process dealing with the issue, then other problems will also be solved. This happens by itself.

It is an interesting point of observation that when an organization comes into change there is an enormous growth of all kinds of projects but they're not channeled in a process. They all start to develop a life of their own. They cost energy and create difficulties in coordination and decision makers lose the overview.

If we have a clear process in which some of the projects can move on, then it's amazing that when they are dealing with certain issues other issues and other problems will solve themselves. So not all the problems need all kinds of projects. Some things can sometimes very clearly change or disappear because we have changed something else.

If we are changing the systems, the whole will become more complex. If it is connected to the community and the sense we are striving for, it becomes clearer and simpler. We tend to change all the conditions and the structures and the systems and we hope things will go better but in the end things are more complex. You see it happening again and again. We create more and more systems in the organization and the processes become more specialized and cooperation becomes more complex. Decision making becomes more complex. Coordination more difficult.

When change is connected to steering the company, to the company impulse in the community and to the sense of what we are doing, then people can work more out of the self and out of the whole and then at certain moments, we can change the structures and systems. We first have to find the point where we really have to change the system or the structure.

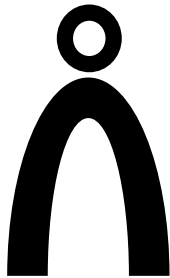
Exercise: inner voices

The first step is individual and it goes like this.

Remember a work change situation you were in in the recent past.

If not in the work place, it might be in your personal life. The situation was a little bit turbulent, it was not easy.

Try to remember and listen to what the inner voices were saying to you during that situation of change. Give each voice a name and put them in the picture as a team of voices, strong voices and weak voices.



After you have created the picture, share it with persons B and C.

Person B listens to the feeling level and person C listens to the will level.

After the sharing, persons B and C dialogue together as to what was significant to them. They may think of another voice that would change the composition of the inner voices.

Person A can reflect on the dialogue between B – C.

Case: SBI

SBI is a Dutch training company. They have three nice locations in the Netherlands where people come from different companies in Holland and stay there for 2 to 3 days to follow various training programs. SBI specializes in training programs for work council members on how to do a good job in the work council.

Every Dutch company with more than 50 employees has to have a work council where representatives who are chosen by the employees talk with the directors about the company, about issues, about the strategy and about the future.

A few years ago, SBI was having problems due to stagnation and a decline in client work and fewer companies were using their training facilities. They suffered a small financial loss. There were some conflicts in the company between the leadership, the directors, and the professionals. SBI employed more than 100 professionals doing these training programs.

They also had staff who managed the facilities, the restaurant and the hotel. They had a central planning office for the training programs. The trainers consistently had to wait for information regarding the group that they were going to train and which company they came from.

When I was asked to help this company, we made the decision to split the company into teams.

We analyzed what kind of companies used the training facilities and we separated the different companies into various groups. Inside SBI we organized the trainers in small teams of 10 to 15 trainers. The teams of trainers were given the responsibility, not only for doing the training but also for having contact with the client organization and dialogue with them on new jobs and new tasks. They had a client responsibility, a sales responsibility. It came as a shock to the teams when they started to notice that they also had the responsibility in terms of turnover in the team, the financial results and the cost that they made.

It was a leadership challenge for the professionals in the teams to take on this responsibility. We had to develop the skills of the professionals and of the team leaders. Each team had one colleague who became the team leader and the team leader had the responsibility to see to it that the team would work well as a team and would take on the responsibility for the clients, the finances and the trainings. This was quite a substantial change in the structure and culture of the company. The teams were grouped in three departments and each department head was part of the director team. So, the structure became very clear for the professionals. It became also very clear who is my team and what is my responsibility and that was a great challenge for everybody including for the director-team that started to work as a team and for the team leaders that had to work together and with the professionals.

The members in the teams started to have a home in the team. A big important change was that the professionals in the teams had a better chance to really work together, talk together, and reflect together and learn together and that was strengthening their community.

They became more motivated and more committed, because they had a greater self-steering responsibility as team members. That also changed the role of the leaders and of the department heads. They became much more coaching leaders thereby supporting the team leaders and the teams, helping them to find their way in the market with their clients and with their training programs.

This company had hotels and restaurants where the participants stayed during the training. In that part of the company, we also formed teams of people, hotel teams and restaurant teams and a team of ladies who were welcoming the clients when they arrived. This created more team spirit, more team responsibility. Instead of everybody doing their own job and not really feeling responsible for doing that job, by being in the team and having a team responsibility people got more motivated to take this responsibility and they also enjoyed the results more.

The amazing effects of this intervention, which took about a year to transform this company into this team structure, was that they experienced much better financial results, because teams started to perform. There was more continuation in the client contact. The clients felt that they were better taken care of. They had real speaking partners in the professionals to develop the programs and to support the people that came to the training center.

The company's financial results improved and also the employees team spirit. This company still exists and by taking that big step, the directors and the professionals learned how to deal with difficult situations in a flexible way. For example, when in a certain market segment the companies turnover was going down because there was less business in this market segment the professionals would move to other teams where there was a growing market of companies who would be clients.

During this process we were able to stop all kinds of activities that were not really contributing to the core business. In the beginning there was a lot of argumentation and conflicts on issues. Now, the company process became more fluid. The flow of the process and the cooperation between the people improved. This was also quite a surprising thing because at first people didn't want to let go of the old activities. When they started to move in the new process to become more responsible for the clients, for the trading, for the finances, they started to concentrate on the important issues.

I have been in contact with this company for a long time, which is part of our work in that we not only do a onetime job in the company, but when subsequent issues arise or they want to make a change and don't know how to do that they then ask us to support them again. We have long term relations with our clients, which I think is very fascinating because you really get into the key strategic activities of the client organization and can help them to make the changes work.

Chapter 7: Working with scenario's

In this last chapter I will present some **leadership secrets** that you can practice in your leadership work.

The first secret: If there's an issue at work and you are a little bit troubled by that, deal with that issue at work in the situation and don't try to solve this issue for instance at home in the family process. Of course, you can talk with your partner about these issues, but solving and dealing with issues has to be done in the process where the issue actually exists.

If there's an issue with a colleague, try to solve it in the process that you do together with this colleague.

The second secret: be present in the situation you are in.

We very often are in a process, for instance in a meeting, but at the same time our mind is busy with all kinds of other things and we are not really present in the situation. It's very important in the leadership process that when you have a dialogue with somebody on an issue that you are really present in that situation, in that dialogue. Concentrate on who is there and what it is about.

The third secret: ask good questions, questions that make sense. Don't be too busy with yourself, but be focused on the other person. The other person is your best consultant so to say, your client, your colleague, your employee, they are the ones that give you food for thought, give the good input. They are the one that can give you new ideas and can really present the challenges of today.

Secret four: concentrate on your client.

Your value is shown in the process with the client; as the English saying goes "the proof of the pudding is in the eating"

It's really the work that you do with your clients, the people that you serve, the people that you help; it is there that you will discover the real

challenges. There you will discover the real bottlenecks and the real issues for improvement. You need to concentrate with your people together in your teams on your clients because there you will find common ground. Coming together as a team or as a department, as a unit you do create this in the dialogue with your clients. You experience what they need and how they receive your work or the work of your department. It's a very important leadership quality. To understand yourself and to see if you are on the right track with your department, because the clients of your department will tell you what's going on and what is the working of your contribution in the process of the client.

Secret five: think before you do and while doing keep on thinking. For important meetings, for instance, it's good to have a kind of image of what could happen and prepare yourself for the potential issues that may come up in the meeting. During the meeting act in a constructive way and when the meeting is over, reflect on what was different from what you expected. This helps you to find the real points to concentrate on. Sometimes you are very busy with the points that you thought were important but after the meeting you can see that maybe they were not so important and maybe something else was more important. Concentrate on what really happens and reflect afterwards. This will help you focus on the real issues that are important, not only for you, but also for the others.

Secret six: listen to the live stories and the biographical stories of other people.

You not only have functional dialogues on the issues, but you also have personal dialogues with the other people about what is important in their life. Having biographical dialogues with others gives you a deeper insight on what is important to the other person. It gives a better understanding of why certain things happen between you and others. I have been working with students in universities parallel to my consultancy work. I asked my students during a 10-week program to go to companies and speak with leaders and ask them biographical questions on a critical issue in the

company such as “what is really important to you and why are you doing things a certain way? They concentrate on a real change issue and have these biographical dialogues. The students always became very enthusiastic but not only the students, also the people in the company became inspired, because they got this biographical question and could discuss in a much more personal way the issues that they were dealing with and that strengthens their own understanding.

Secret seven: At important moments, give your vision to others and express your point of view.

It is necessary to be clear. Taking a standpoint is something different than giving an opinion. It's to make clear where and what you stand for. It's much more about the value, the key principle, the steering conviction you have. Sometimes it's very important to be very clear on where you stand on a certain issue, so that others can also express their point of view and together you can find a way on how to deal with the issues.

These are secrets that you can reflect on. For myself and also for many leaders I have found that these kinds of personal leadership qualities are very important to live a “clean” leadership life and to stay within your personal strengths and to not be weakened by all the operational things that happen and that drain you a little bit.

The exercise

The exercise is called: working with scenarios to see the future. Designing three different scenarios concerning your leadership 3 years into the future.

So what will your leadership look like 3 years from now?

The first scenario: it all continues as it is now. Maybe some circumstances might change but basically I continue on this track that I'm on now and what will it look like 3 years from now when this scenario has happened.

The second scenario: my great dream became true. The others moved with me. You have realized a dream that is living in you now, something new that you would like to create?

The third scenario: The impossible happened and life changed fundamentally. Maybe somewhere inside yourself, there is some idea that lives there, but you don't think it is realistic to create that. Nevertheless that impossible something has happened in your life.

Please reflect on the three scenarios, make some notes and ask yourself the question: What might be the decision I have to take now? It's not about choosing one of the three scenarios but it is looking for the next irreversible step that you could take as a leader, where you take a leadership responsibility to master the future.

These three different scenarios could give you an idea, as they are a part of you. What is the decision that I have to make now that will bring me further into the future. These scenarios make something clear that was already living in you, but now it has become even clearer that you can decide for yourself on the next step that you would like to take in your leadership.

After your individual preparation, you can invite two other persons to share the three scenarios with. What decision do I want to take now?

Person B and C listen. Person B listens to the feelings of person A, person C listens to the will direction. What is the will direction that speaks out of these three scenarios and the decision person A wants to take.

B and C then dialogue on the story of person A and at the end give feedback to A.

After person A listens to the dialogue of B and C, person A formulates what is going to be the next step that he would like to take in his company with his colleagues.

Rounding off

I think the following three key elements are important for leadership during the change process.

The first key element is: the creation of good processes to make things happen and to do that together with your people, with each other. I believe this to be a core element.

The second key element is: the dialogue, because through dialogue you can meet and you can share and you can commit. You can take steps together. Communication and dialogue is a two way street.

The third key element is: the biography. This is about the life stories on the development of the company and the development of you yourself and the connection between the two. How is the company developing and how you as leaders develop yourself and the company.

For me these three key elements form the essence of leadership.

The creation of good processes, in dialogue connected to the biographies. In addition, I think it's very important for the future to create reflective moments together as a team of leaders and to share the real issues in a more personal way, so that together you find solutions and the next steps for the company but also for your own department and for yourself.

Literature

You can find more literature on www.het-imo.net under publications.

Short personal introduction

I'm Dr. Adriaan Bekman. I'm the founder of IMO. IMO was founded in 2005. At the start of my career I worked for eight years in Shell International both in the Netherlands and in South America, supporting Shell companies to change the way they were operating in the world and also to develop the leadership inside the company. A different style of leadership was wanted and I supported them in developing this.

After that, I worked in an international development institute called NPI (Netherlands Pedagogical Institute). They were pioneers in supporting leadership and organizational development in companies worldwide and I have worked in many different countries with various companies on these issues. Also I lectured at universities as professor for leadership and organization development.

Currently I live in Germany and my work at the moment is to support my clients and teach groups of students. We do web seminars and web meetings sharing our ideas about leadership, management, change and development.

I have written a number of books on the previously mentioned subjects which have been published in different languages.