Transform or Reform?
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Transform or Reform?
We need transformational leaders.

by William Adams and Cynthia Adams

Clearly, the current downturn is different from recessions of recent decades. As McKinsey reports: “We are experiencing not merely another turn of the business cycle, but a restructuring of the economic order.”

Serious downturns provide time to reflect and envision alternate approaches to your business—something that’s tough to do during times of ease or profitability. We typically envision alternatives only when faced with difficult times, which are here to stay for awhile.

Great leaders realize that when they consider alternatives to current situations, they face two distinct challenges:

One is to imagine large enough; not to just consider incremental improvements or modifications to processes—in essence only restacking what already exists—but to envision transforming the business, regarding it in a different way and viewing its potential with new eyes.

The second is transforming themselves enough to lead in the new shifts that are required.

The success of transformation depends largely on the interior condition of the leader. This inner system, from which they operate, is the source of their ability to see the shifts required, pay attention to the right things, and then be able to act upon it to create the desired results.

Leaders who restack tend to see what needs to occur to cut obvious costs but can’t broaden further; see the organization as its parts; re-design departmental functions; ignore fundamental changes; adhere to domain responsibilities and boundaries; avoid engagement; manage by control or default; and see malignation as a source of conflict.

Leaders who transform tend to see and surface deep assumptions; open up new thinking for fresh possibilities; see the organization as part of a larger whole; re-imagine the purpose, vision, and strategy; ignite great growth for individuals; ensure people have purpose, influence, decision power, and accountability; manage by commitment; see inevitable conflict as the opening required for breakthrough.

Transformational leaders are advocates of individual and organizational transformation. They see it is their responsibility to set the context and direction for transformation; to align the organization; to champion a long-term vision and motivate, inspire, and model new behaviors; and to convey that real transformation requires more than improved management and processes—it requires a fundamental shift.

Often, adaptation is insufficient to enable a company to survive and compete. When faced with make-or-break challenges or compelling opportunities, leaders may find it necessary to transform on a broad scale. While organizational change may be incremental, business transformation is fundamental—addressing breakthrough shifts in strategy, performance, and culture.

In transformation, leaders must work across multiple arenas, developing and refining their capabilities. They must steer efforts effectively; provide strategy and direction for transformation, engage all stakeholders, define accountability for everyone, and ensure success through focused execution. To succeed at large-scale transformation, transformational leadership must be in place, well-planned and methodical transformation approach must be employed, and all members must participate and contribute.

Transformational leadership requires a different approach. Effective leadership directly impacts performance. Leaders must acknowledge that changes in themselves, their systems, processes and culture are needed. Such proactive leadership requires a start-to-finish mentality and demands perseverance.

We need leaders who have the courage and capability to transform organizations and achieve breakthrough results. We help leaders develop the skills and behaviors necessary to elevate the performance of the senior leadership team to a transformational level—where they establish context, direction, and alignment; champion a long-term vision; and inspire and model new behaviors.

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ACTION: Develop transformational capacity.