

CHANGE ■ TRANSFORMATION

cated discussion and actions that are part of the normal workday, rather than being occasional or external.

Kaizen has two major aspects: to maintain current managerial, operating, and technological standards; and to simultaneously seek to improve those standards. After mastering the current standards, higher ones are set, creating an impetus for improvement. *Kaizen* must be part of a sustainable culture; it can't be easily set aside, and it must empower and include all concerned individuals.

These concepts of ingrained openness to change and a deep-set culture of belonging are central to process improvement. We encourage active engagement and dialogue between leaders and experts, to compare points of commonality and divergence.

- Find or train leaders in the process.
- Obtain advice from a field expert.
- Pull together best practice teams online for additional perspectives.
- Pursue quality in new ideas.
- Repeat these steps constantly, as an integral part of the culture.

Benchmarking is not a matter of finding someone to imitate, but rather adapting known successes to your unique circumstances. Many leaders might seek to define a best practice based on adaptability, differentiation, innovation, and an effort to avoid mimicking someone else's best practices.

Our community of best-practice organizations strives to create mutual benefits by evaluating processes and mentoring change. These ratings (made using a set of common criteria) can be made public or left private. The *community of excellence* is a valuable source of information on what best-practice or benchmarking variables are relevant, and how best to implement changes.

Modifying an entrenched culture is fraught with difficulty. However, if the variables are effectively altered, targeted change can lead to a positive impact on the performance and sustainability. Organizations are shifting to flexible cultures where people are valued, suggestions are encouraged, and effective innovations are developed faster.

The challenge is to overcome traditional barriers to change and find and adapt the best practices. The values and dynamics that make an organization what it is need to be addressed in order to effect long-lasting change. LE

Louis Carter is founder of Best Practice Institute and author of Change Champions and Best Practices in Talent Management (Wiley/Jossey Bass). Lou@bestpracticeinstitute.org. Patrick Carmichael is Talent Manager for Saudi Aramco's dotstream business. Email Patrick.carmichael@aramco.com.

ACTION: Identify and adapt best practices.

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 times 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 just to 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 realignment 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

first seek 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, a 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. LE

Bill Adams is founder and Cindy Adams is a Partner at Maccomm. They're coauthors of The Whole Systems Approach. Email william.adams@maccomm.com or cindy.adams@maccomm.com or visit www.Maccomm.com.

ACTION: Develop transformational capacity.