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Getting Started with a Heart of Transformation

What is at the heart of transformation?

Let me start out by making a couple of statements that may seem odd for a book purportedly about organizations and how to transform them. First, this book is not the solution to all of your organization's problems with leadership, change, and culture. Let me repeat that but now put some specific emphasis on that last sentence. This book is not *the* solution to all of your organization's problems with leadership, change, and culture. However, it is one useful way to frame and address the issues that organizations face in building the culture that they need in order to thrive and also in developing the leaders they need to build that culture.

George Box said, "All models are wrong, but some are useful." Or at least that is how I've always heard this aphorism stated. Just a bit of research shows us that the concept pre-dated Box and that he used different combinations of words. Slightly apocryphal as it may be, "All models are wrong, but some are useful," is, well, useful. I first heard those words from the mouth of my friend, and global co-conspirator, Michael Bungay Stanier. It was a great moment of learning for me as I began to realize that things being "perfect" and "right" were far less valuable than just being useful. This is a lesson I have had to relearn many times over the course of my life and career (just ask my wife!).

By the way, if you are not familiar with Michael's work, I suggest you become so. It is eminently accessible and profoundly useful as well. Michael was a pioneer in making some of the great theories of people and relationships immediately actionable, primarily through the use of great questions. He did this with the company he founded, Box of Crayons, now one of the leading lights in moving organizations from advice-driven to curiosity-led. My work over the years with him has had a definite influence on me and my thinking and, as you will see, how the capabilities in this book manifest. Thank you, my friend!

Now, back to the other Box—George. What is most useful about his phrase is that it helps to remind us that there is no model that is *the* answer, only models that may be useful to us in finding *an* answer, or answers, that we can use. Even the best models and theories are only one way to frame a problem or find an answer. The way to judge models and theories is not for completeness, or their scientific accuracy, elegance, or memorability. While those are all great things, they are not the most important considerations. What is most important is whether a model affirmatively answers the questions, "Will this help me understand my world and change it for the better? Is it useful for me to do what I need to do, here and now?"

This book will present you with models and theories that are imperfect, mine certainly not the least. They could be more elegantly worded. They could be more complete. They could be more memorable. I could have cited more research. Of course, I hope you will find the wording elegant and memorable enough for your enjoyment and to leave a lasting impression. I hope you will feel confident in the research and scientific facts behind them. I truly hope they will be complete enough to help you begin to effectively address the problems or concerns that caused you to pick up this book in the first place. And don't worry, I will point out many of the places where there are other models that are more useful or that address things that mine don't. But, mostly, I just hope this book, and the models within, will be useful to you.

The second potentially odd statement to make is this—organizations don't exist. We insist on talking about them like they are

something unto themselves, like a car or a machine. But they don't exist. A building isn't an organization, it can only house one. A corporation is a legal entity, it exists on paper. A logo is an advertising and branding tool, a concept, not a reality. Only people exist. And an organization is simply an organized body of people with a particular purpose.

I'll freely admit that the word organization is a handy word to have and use. Using it is certainly much handier than saying, "You know, that big group made up of Tom, Sacha, Suresh, Ana Cristina…" and going on to name everyone in the company. But I worry that, in our haste to make haste, we sometimes forget that organizations don't exist, only the people in them do. If the people (or their purpose) go away, the organization does too.

The people who make up our organizations are people who are complex, unique, hopeful, fearful, learning, living, and loving every day. It is for the benefit of those people that this book is written. If you are an executive leader, or manager reading this book, I am very happy that you are. It is written for you to read and benefit from, but it is written even more for the benefit of the people you lead and manage, in order to make their lives better, through how you lead and manage. If you are a student or professional who is studying or engaged in organization change, organization development, culture, learning, etc., I truly hope it helps you serve the people of the organizations you work with to bring joy and growth to their lives. Because at the heart of transformation we find people. Not structures, not models, not technologies, but people. In fact, for those of you reading the opening pages of this book online or in a bookstore and considering purchasing it, let me just cut to the chase and give you the heart of *The Heart of Transformation*—it is people learning how to care for each other, you might even say love each other, enough that it allows transformation to happen—to them and to their organizations. If you already believe you know exactly how to do that, that you know what behaviors are produced from caring about each other enough to be changed and help others change, then you can save your money. But, if you don't, then I hope you will read on. In *The Heart of Transformation* that is exactly what we will be doing, learning

those behaviors that lead to the capabilities of change and transformation. We will be operationalizing curiosity in and caring for each other so that we can truly and radically change organizations for good.

Why did I write this book?

You may be wondering why I wrote this book, with an emphasis on the "I." What was it inside me that drove me to spend the considerable time it took, to forgo other meaningful things I could be doing, to put myself out there for judgment (or acknowledgment)? Well, it's because I love you guys! I know I don't know you, but I love you. In his excellent TEDx Toronto talk, a good friend and mentor, Mark Bowden, shares how we are programmed through evolutionary biology to be indifferent to the vast majority of our fellow human beings. He also talks about the fact that we have a choice to be other than what comes naturally.[1] So, this is my attempt to overcome my indifference and connect a little bit more. Even though I don't know you, I want you to be happy, fulfilled, cared for, and caring for others. I think it will make the world a better place. I'll tell you why this matters to me.

About fifteen years ago, I was having dinner with a senior research scientist at a highly regarded advisory, testing, and consulting firm and he asked me a question. He said, "At our company, and this is kind of a secret, we have one question that we always ask people who want to join us. Not only do we always ask it, we are hesitant to hire people who cannot answer it relatively quickly and confidently. Because, if they can't, then they might not be clear on their purpose and what their motive is for joining us. We find that people driven by clear purpose have the greatest impact on their clients and our success. The question we ask is, 'What is your mission?' So, tell me Michael, what's your mission?"

I was not interviewing for a job; I was just having dinner after engaging this gentleman in work with one of my business units. I was not expecting or prepared for this question. So, I was honestly a bit

startled to hear myself almost immediately reply, "To make the world a better place to live, and work, one organization at a time." It was something I'd never articulated out loud, maybe because I'd never been asked. But it has guided me ever since.

I started to write that this book is a culmination of a life of trying to do just that, to make the world a better place to work and live, but that sounded a bit aggrandizing as I read it back. Upon reflection, I think it is actually because I don't know how to fulfill my own personal mission, beyond the confines of the circles in which I move, in any other way. I want to be able to reach the people in my life at more than just arm's length.

I know that I have failed many times, in many ways, along my journey to make the world a better place to live and work. And what I have for you here is not perfect—as I said it is not *the* answer. But I sincerely hope it will help make your world, and especially the world of those you lead or work with, a little bit better place to work and live. I hope you will come away from reading giving it that high praise that I value so much. "That was useful."

Why another book on change or transformation?

Before we talk about change and transformation, I want to be clear that I am using the words change and transformation interchangeably. If you search the definition of change you get "make or become different." If you search the definition of transformation you get "a thorough or dramatic change in form or appearance." So, really, we use the words to denote degree or size of change, but it is all just change. I guess more dramatic change gets a more dramatic word. If you don't quite see it that way, that's okay. But it will make reading this book easier if you allow me to be slightly less precise with these terms going forward.

Now we have that out of the way, we need to set the context for why to write another book on the subject of change and why write it now. Here's my bottom line—there are a lot of astute observations and brilliant theories about change out there but there is not a lot of

actionable advice. I am constantly asked, "But, how do I do that? How do I operationalize these great ideas and concepts?" This book is my answer to that question. I was asked it enough that I decided it needed to be addressed more broadly and publicly than in just the conversations I was privileged to have with individuals or groups.

I am asked that question because I have been working and advising executives and organizations about digital transformation for years. Digital transformation is still transformation, digital is just the context. But it's a big, impactful context. "Digital has changed everything!" is a breathless phrase we hear in business all the time. And it's true—it's just not the whole truth. One of the major shifts I see is in how digital has affected both the complexity and scope of change as well as the pace of change. That is why the need for a better mousetrap for transformation is so critical nowadays. So, before we charge into change, let's start by looking at digital a little closer.

Digital transformation requires human transformation

The word "digital" is a problematic word. Like many things that are problematic, it is also nearly ubiquitous in the appearances it makes in our lives today. It seems that every company has a new digital solution or product that you simply must have (in their oh-so-humble opinion). The world of work is nearly falling over itself in conversations about the latest and greatest digital strategies for success—digital business, digital marketing, digital leadership, digital transformation, digital everything! And, with good reason, as digital is everywhere and permeating more of our lives every day.

When you do a web search for the definition of digital you will get responses in the billions—almost a trillion at the moment I wrote this sentence. If you visit the sites of the major consulting firms, as well as the boutique ones, you will soon come to understand that digital is the answer to life, the universe, and everything!

Ask any expert in digital and they will tell you definitively what it is all about. They may even have snazzy presentations to back it up. Ask the next expert and they will tell you that it is definitively about something else, with equally dazzling slides.

For some, digital is very clearly about marketing and channels, a means to connect with customers. Digital is now how you interact with the world. It is mobile, it is engaging, it is powered by artificial intelligence (AI) and machine learning. It happens in real time and it will make or break your ability to find and connect with your customers.

For others, digital is clearly about information technology (IT) and the systems that drive modern organizations. Having the best, most integrated, most transparent, fastest, and most accessible system will give you the critical competitive advantage you need to beat your competitors and emerge victorious on the field of modern economic battle. It also comes in the form of "woke" digital approaches that disrupt the slow old companies out there and hold the promise of becoming the next amazing disruptor or technology titan.

Still others will even tell you that it has something to do with how you think, with company culture, with ways of being and working. You will hear about Agile, Lean, design thinking, user experience, and about how technology startups and giants are eating your lunch because they work digitally, and you don't!

The bottom line is that there appears to be no bottom line to what digital really means. My friend, and well-known researcher, Dave Aron, wrote a short, pithy post on LinkedIn[2] a few years back where he asked his readers to "stop hating on the word 'digital'" as it was the best word we had, for now. He said it was the word we started to use when the phrase "IT" just became too small.[3]

I think there is a lot in what he says. In my work with companies and leaders struggling to understand digital and digital transformation, I always ask them first to define what digital means, and will come to mean, to them. They need to determine which of the myriad meanings best defines their business and their strategy right now. Then they have to give real consideration to what digital will mean for their companies tomorrow and the day after tomorrow.[4]

Chris Howard, Chief of Research at Gartner, said to me, "Many leaders are simply exhausted by the phrase 'digital transformation.' And it's not because companies have conquered digital, far from it. Leaders are so beaten down and just plain tired of hearing of the

glorious, futuristic magic of something that ends up feeling more and more ineffable while they try to grab it, that they can no longer stomach the conversation. More and more, they are talking about disruption and operational excellence instead. True digital transformation, because it involves changes to the business model, should be difficult and rare. Interestingly, COVID-19 accelerated business model change spearheaded by boards of directors and CEOs, so perhaps real digital transformation is an outcome of the otherwise miserable human catastrophe of the coronavirus pandemic."[5]

Disruption and operational excellence are also not new terms, not by any means. So why are they the new ones in use? Two reasons. First, they seem more real, more concrete. Companies know what disruption looks like and feels like, and it scares them that they don't know where it will come from, when it will come, and what they will do about it when it does come. But they don't want to be disruption's victim, so they are looking for a way through. The same with operational excellence. Who could argue with that phrase? It is the mother and apple pie of organizational life. The majority of the (previously) most successful companies of the 20th century built their reputations and their market dominance on their strategies and their operational execution. Simply, at its core, operational excellence is basically our fancy way of saying "doing it right"!

Much has been written about operational excellence and how to define it. I find that the definition from the firm Wilson Perumal & Company is one of the more cogent out there. They define it as follows:

> Operational Excellence is the execution of the business strategy more
> consistently and reliably than the competition. Operational Excellence
> is evidenced by results. Given two companies with the same strategy,
> the Operationally Excellent company will have lower operational risk,
> lower operating costs, and increased revenues relative to its competitors,
> which creates value for customers and shareholders.[6]

Like I said, doing it right. And I guess you could throw in doing it better than the competition if you wish. But what does that definition really tell you? It's good, it's clear, and I understand it. But I don't

understand how to do it. It's like the old story about the judge trying to define obscenity by saying that he couldn't define it verbally but that he knew it when he saw it. If you recognize it, but you don't know how to create it, should it be your strategy? You can win or lose in the world based on so many factors that separating out which of them are directly from operational excellence in action is a muddled mess.

Clearly, there are some really great programs that emerged out of the total quality movement that purport to define operational excellence, such as Lean 6 Sigma, and these work systems can have a huge impact for good on organizations. However, my experience has been that there are more stories of organizations who tried to implement these systems with limited or no positive results than there are stories of great success. Companies like Motorola and GE who perfected these systems have not seen it guarantee their long-term dominance in their market. But for quite a while they were the *sine qua non* of success, which was achieved through operational excellence, in the eyes of many people, and they were broadly emulated.

The second reason that disruption and operational excellence are more in use now is that they feel a bit like cause and effect, symptom and cure. If disruption is as inevitable as it appears to be, operational excellence—doing it right and better than anyone else—appears to be the solution that we had mastered at some point. Focusing on operational excellence returns us to a time when the problems we were solving were clearer and more stable. To a time when operational excellence was everything we needed.

Please do not misunderstand me, I am not saying that operational ineptitude or inferiority are preferable! Yes, we need to do what we do right and then do it better. But how we achieve this has become much more complex. Today, technology has progressed to a point where operational excellence is no longer enough. The problems we are solving for in the market move faster than the solutions. Look at rideshare services such as Uber or Lyft. They started out providing the technology to connect drivers with passengers in the most frictionless way possible, but already they are focusing heavily on self-driving cars that will make those drivers completely redundant

and they are looking at additional revenue streams of delivery that involve no riders whatsoever. Or Netflix, who moved from distribution of content to generation of content almost overnight. But as the world of commerce has changed around us, how we perceive and run our organizations has not changed much at all.

In all of these companies, the ones that are transforming and the ones that are struggling, there is one constant—people, not roles. Whatever the platform or the technology, the success of all of these businesses depends on some consistent, very human, capabilities. There is a certain irony in the fact that digital success is enabled by those capabilities or attributes that make us most human. If you ask leaders of the largest and most successful technology companies about what makes them successful, you hear a lot of talk about people and culture. Microsoft CEO Satya Nadella focused on people and culture in his reinvention of Microsoft. His excellent book, *Hit Refresh: The quest to rediscover Microsoft's soul and imagine a better future for everyone*, tells the story quite eloquently. Changing the employee mindset was his key to change and adaptation.

What are the skills and understanding that allow people to "fail fast," "pivot," "disrupt themselves before someone else does," etc.? If you dig down into it, which we will, you will find some things that don't sound very digital and are actually not about technology hardware or software at all.

The human capabilities that drive transformation

In the chapters that follow I introduce the six capabilities listed below, which are unlocking digital potential all over the world, for individuals and organizations. As we progress, we will delve deeper into what the six capabilities are all about—what they mean and how they manifest—and what you can do to develop and hone them as capabilities, regardless of your current role or work. We will also talk about the words following "Before" in my list. It is important that we understand that this is not an either/or, right/wrong situation. That is just too simple.

To frame this book, let me just give you the briefest overview of each capability and what it is about. We will define them further as we go forward, as well as explore each of them in depth. But, for now, this will get us started.

- **Exploration Before Execution** is about the fundamental human capability that drives change—curiosity. You will learn how you can embrace ambiguity without getting knocked off center. We are seeing this in the movement to be more coach-like in work interactions and managing ourselves in order to do so.

- **Learning Before Knowing** explores how learning is more important than knowing in a world where what we know is becoming irrelevant faster than we can master new knowledge. We will learn the questions that drive a learning mindset and culture. We will come to understand how people can find their blind spots, access their ignorance, and step away from their assumptions.

- **Changing Before Protecting** explores how our evolutionary biology drives behaviors of conservatism, risk-minimization, and survivalism, and how these predilections play out in our organizational lives. We will discuss how people can become aware of when they act without thinking and find ways to stand up, fail successfully, and prepare for surprise, not against it.

- **Path Finding Before Path Following** makes clear that effectiveness used to be defined by knowing and following the steps to a destination set out by leadership. But we are in a world of a new excellence where we define the outcomes and need to find our own paths to achieving our shared North Star. We are guided by values and purpose, and the best leader is the leader who is the right one for the moment, who leads through iterative processes to achieve excellence. Not necessarily the person who sits higher in the organization chart.

- **Innovating Before Replicating** uncovers how excellence used to be defined by our ability to scale and replicate processes, systems, products, and services. But the problems those things were solving are changing too fast for the speed of replication. The problems are now

too complex for one solution. Now, excellence is defined by innovation everywhere, a growth mindset, and persons of tomorrow who think in all three horizons. They ask for forgiveness, not permission, and they take the initiative to innovate to build excellence in their organization.

• **Humanizing Before Organizing** is about the nature of our relationships at work and how we choose to see each other. It helps us see how relating to roles, and not people, is a major block to effectively organizing and reorganizing to get our changing work done. It helps us understand how to put people and interactions over processes and tools (one of the definitions of Agile straight from the Agile Manifesto).[7]

As we progress, you will read the stories of how some remarkable people lead with these capabilities, how the capabilities show up, and make all the difference in their success and that of the organizations they come from. We will explore the simple, clear, and eminently "do-able" behaviors people can embrace and enact to weave these six human capabilities into their lives and work, easily. Finally, we will launch you and your organization on the path to the heart of transformation. But first, we must dive a little deeper into how we got where we are today—with fifth-generation information technology and second-generation human systems that are no longer enough.

One last note before we begin. You will find that this book is somewhat personal. Some of the stories are directly from my life and experience and I also use myself as an example (often of what not to do). There is a reason for this. In the end, transformation is personal—we all have to write our own story of change if we are to move forward. Transformation occurs individual by individual, through personal experience, learning, and change. While there are programmatic approaches to change (I myself work with major corporations on a digitally enabled program to build the capabilities in this book and change their cultures for good) and individuals are *always* influenced by their social influences, change is still accomplished through the heart of transformation that forms inside individuals, there is no other way.

Endnotes

1 Bowden, M (2013) The Importance of Being Inauthentic: Mark Bowden at TEDxToronto, YouTube [online] https://youtu.be/1zpf8H_Dd40 (archived at https://perma.cc/C5Q5-6ZH7)

2 Aron, D (2016) Stop Hating on the Word Digital, *LinkedIn* [Online] https://www.linkedin.com/pulse/stop-hating-word-digital-dave-aron/ (archived at https://perma.cc/24XG-HHKD)

3 Aron, D (2016) Stop Hating on the Word Digital, *LinkedIn* [online] https://www.linkedin.com/pulse/stop-hating-word-digital-dave-aron/ (archived at https://perma.cc/24XG-HHKD)

4 Futurist and researcher Peter Hinssen coined the term "The Day After Tomorrow" in a very specific digital context. Read more [online] https://www.peterhinssen.com/books/the-day-after-tomorrow (archived at https://perma.cc/JY3D-ZGPA)

5 Howard, C (2020) Personal conversation with the author

6 Wilson Perumanl & Company, A Better Definition of Operational Excellence [online] https://www.wilsonperumal.com/ blog/a-better-definition-of-operational-excellence (archived at https://perma.cc/ M6AN-9SV3)

7 Agilemanifesto.org (2019) Manifesto for Agile Software Development [online] https://agilemanifesto.org/ (archived at https://perma.cc/3PTR-D3LF)