

## Article

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# Awake at the Wheel: Moving Beyond Change Management to Conscious Change Leadership (Task I.D.1)

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*Discover what you need to become a successful change leader, and why change management is insufficient to support transformational change.*

**By Linda Ackerman Anderson  
and Dean Anderson**



1242 Oak Drive, DWII  
Durango, CO 81301  
(970) 385-5100  
[www.BeingFirst.com](http://www.BeingFirst.com)

Imagine driving the Los Angeles freeways at rush hour with blinders on, or shutting your eyes to the traffic altogether, determined to plow through to your destination. You couldn't possibly expect to get there safely and would likely create havoc along the way. Not being able to see all of the signals and forces at play in your chaotic environment would make the journey impossible. How would you navigate? Maybe, if you were on a straight highway with no cars or obstacles, you might drive some distance with only minor mishaps. But driving freeways is a constantly changing experience—fast-paced, unpredictable, and uncontrollable, much like leading transformational change.

In fact, leading transformation using today's change management approaches presents the same challenge. Before the birth of change management, organizational leaders defined their role as determining the destination of their change and then delegating the "driving" to someone else. That was all well and good when their destinations were clear and the roads were open and well marked. Eventually, when executives began to feel the sting of not being able to get their organizations to reach their predetermined targets, they began to recognize that success required attention to things they previously had not seen, understood, or valued as important. These new insights broadened their view of what was necessary to lead change, and gave rise to the field of change management.

Change management originally reflected two breakthroughs in leaders' understanding of change. First, it became the answer to dealing with some newly recognized *human* issues, which surfaced when leaders' pronouncements were met with insurmountable resistance in the organization, and they didn't know how to overcome such formidable obstacles. In addition to helping overcome resistance, change management improved leaders' communication plans and specified training programs for employees,

further assisting leaders to reduce their people problems.

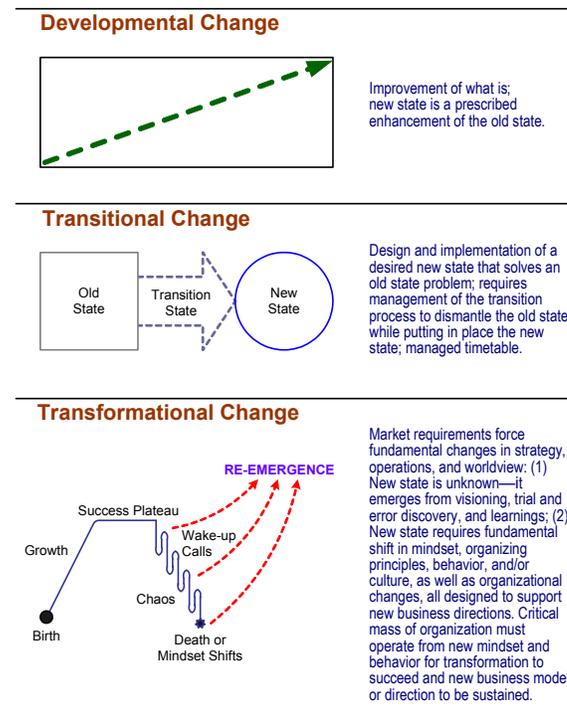
Simultaneously, change management responded to leadership's need to improve implementation, which increased their attention to the *process of change*. By providing planning tools for implementation and applying familiar project management approaches, change management increased the likelihood of leaders actually reaching their destinations. In short, change management came into being because executives became more cognizant of the *human* and *process* challenges of change, and requested help with them.

Change management's popularity is tangible evidence that executives have recognized much of what was missing from their traditional management of change. This is progress in the right direction. However, leaders and the field of change management have not gone far enough, especially for today's "Los Angeles freeway" reality of change. There are still too many "change accidents" occurring, and too much unnecessary "road rage." There are still too many blinders impairing leaders' views of how to navigate change. It is time for leaders and consultants alike to take the blinders off, to become fully awake at the wheel, and move beyond change management. Leaders and consultants both need to understand and embrace the next evolution in the field—**change leadership**.

## **Understanding the Requirements of Transformation**

The first task of change leadership is to understand the terrain of change and how it has evolved. There are three types of change occurring in organizations, each requiring different leadership strategies. Change management supports two of these types—developmental and transitional change.

However, it does not suffice for today's breed of complex change—transformation.



Transformation is rampant in today's organizations. Given the number of failures, it is forcing executives and consultants to "take more blinders off" and expand their awareness of what is required and their skills for handling those requirements. How can executives or consultants expect to succeed in the transformational journey if their guidance systems don't allow them to see or understand the variables they face along the way?

Transformation is unique in two critical ways. First, the future is unknown at the start of the change process and can only be created by forging ahead with the intent to discover it. Without having a clear goal to manage to, leaders are forced to proceed into the unknown, dependent on broader sources of information and support to formulate a new future and put it into place. Because the future state is not clear at the begin-

ning, the process for getting there cannot be clear either. A time-bound predetermined plan is not possible. Since the change process cannot be "managed," a new way of leading it is needed.

Secondly, the future state is so radically different from the current state that a shift of mindset is required to invent it, let alone implement and sustain it. This fact triggers enormous human and cultural impacts. Leaders and employees alike must transform their mindsets, behavior, and ways of working together. Subsequently, cultural norms must change to free up these new ways of being. People must certainly change what they do in transformation, but more importantly, they must change the way they think. The strategy for the change must focus on how to accomplish this level of personal change across the organization, leaders included.

These two attributes of transformation make both the process and the human dynamics much more complex, unpredictable, and uncontrollable than in either developmental or transitional change. Change management strategies, while helpful, are insufficient for handling these issues. Change leadership strategies that accommodate the realities of transformation are required.

Change leadership demands new executive and consulting competence in three key areas: (1) creating enterprise-wide, integrated *transformational change strategy* that attends to all of the people and process dynamics of transformational change, (2) *transforming the mindsets* of leaders and employees as required by the new marketplace and the transformation itself, and (3) designing, implementing, and course correcting the transformational change *process*. We will discuss each of these change leadership arenas.

## Building an Integrated Change Strategy

Building an integrated change strategy fit for transformation is the first cornerstone of change

leadership. Executives clearly understand their central role in creating new *business* strategy. However, announcing a new business strategy alone is not enough to accomplish it. It must be executed in a way that delivers its intended business results. This requires the creation of a fitting *change strategy*. When leaders don't understand the type and scope of change their business strategy requires, they cannot create appropriate change strategy, and consistently fail to get their business results. Knowing which type of change is required is the first step in creating the right change strategy.

In developmental and transitional change, executives typically engage in very little strategic thinking about how to handle the change. Instead, they delegate it to lower-level change managers, who immediately begin implementation planning using traditional project management or change management approaches. In transformation, however, leaders cannot hand off the creation of their transformational change strategy. Executive-level strategic thinking is a requirement. Because of the huge impacts on the business, the complex people issues, and the multitude of interdependent change initiatives, the executives themselves must be involved in putting it all together. It is their responsibility to build a change strategy that:

- Correctly positions the effort within all of the organization's priorities
- Identifies the most catalytic levers for mobilizing action toward the future state
- Sets up appropriate participation by all stakeholders in the emergent design of the future state and its implementation
- Clarifies comprehensive change infrastructures and leadership roles
- Creates effective acceleration strategies and conditions
- Sets a realistic pace for the change

A comprehensive transformational change strategy has three equally important components: content, people, and process. Most leaders attend only to **content**, as reflected in their primary attention to business strategy. The content of change includes the new business direction and its subsequent structural, systems, product, and technological changes. Until change management, executives focused solely on the content of change, which is still by far the most familiar and comfortable of the components of change strategy.

The onset of change management opened the door to the second required component of transformational change strategy—**people**. Change management's focus on overcoming resistance and increasing communications and training are three important features of the people component. However, these three strategies keep executive attention at the surface, exterior level—on peoples' behaviors, skills, and actions. Furthermore, these strategies attempt to influence people to change from the *outside in*. They don't go far enough to do what is required in transformational change, which demands that people change their deep interiors—their mindsets and ways of being and relating. Such change must occur from the *inside out*. When people choose to change themselves from the inside out, their changes are real and lasting, and resistance is minimal. We will discuss the changing of mindset in greater depth shortly.

The third component of change strategy is **process**—how the change will be carried out in a way that the organization discovers, and accomplishes its business results while meeting its people and cultural requirements. Change management's attention to process focuses largely on implementation. Unfortunately, when implementation is brought in as an afterthought, it is invariably fraught with serious people problems created by neglecting the earlier phases of the change process. We will delve into leading

the process of transformation later. At this point, however, let us summarize with the key point that executives must create a change strategy that is fit for the people and process requirements of transformation.

### Transforming Mindset

The second cornerstone of change leadership—transforming leader and employee mindset—requires executives and consultants to attend more thoroughly to the human dynamics at play. Since most leaders need to shift their mindsets to even perceive the complex human and process dynamics of transformation, we believe that transformational efforts should begin with the leaders and directly address their mindsets.

The topic of mindset in organizations has been around for several years now, first popularized by Joel Barker’s “paradigm” videos and furthered by Peter Senge’s exploration of “mental models” (1990). Thankfully, both of these efforts brought the concept of mindset to

leadership’s awareness. Now, methods for actually shifting leaders’ mindsets are required.

Our basic premise is that *mindset is causative*. Mindset is the primary causal factor of behavior, decisions, and most importantly, results. Leaders’ mindsets about people, organizations, and change determine: (1) what human, cultural, and process dynamics they see and don’t see in their transformations; (2) their internal reaction to those seen and unseen dynamics; and (3) their change leadership style, strategies, and results. We call the traditional leadership mindset most prevalent today, the *Industrial Mindset*. This worldview contains the very blinders that prevent leaders from seeing the dynamics of transformation. In contrast, we propose the incorporation of a new leadership mindset, the *Emerging Mindset*, which is necessary for transformational change. A comparison of the Industrial Mindset and the Emerging Mindset follows.

THE INDUSTRIAL MINDSET “REALITY AS A GREAT MACHINE”	THE EMERGING MINDSET “REALITY AS A LIVING SYSTEM”
Separate Parts	Wholeness/Relationship
Power and Control	Co-Create and Participate
Certainty/Predictability	Uncertainty/Probability
Objective/Knowable	Subjective/Mysterious
Discrete Events	Continuous Process
Entropy	Self-Organization
Order into Chaos	Order out of Chaos
External Causation	Internal Causation
Scarcity	Abundance

Briefly, the Industrial Mindset views all change as a predictable and controllable set of discreet events that can be managed through external force. It is a mechanistic view and neglects the power of human consciousness as a force in organizations. The worldview of the Emerging Mindset, however, understands the different types of change, and recognizes transformation as a self-organizing, continuous process that can best be facilitated through positive interaction with the human and organizational dynamics at play. The Emerging Mindset understands transformation as being primarily driven by shifts in human consciousness. Shifts of consciousness in today's businesses are reflected in the moves to e-business, globalization, customer-focused product design, and enterprise-wide software that dismantles hierarchical communications and decision-making.

Leaders operating from the Industrial Mindset have "logically" thought that: (1) transformation can occur through numerous separate initiatives and that change integration is not essential, (2) people will "obey" what leaders say is required with little communication about why change is needed, (3) resistance is a necessary evil and is best delegated to the HR department, (4) project management and change management techniques will keep the effort under control and on schedule, and (5) getting the content right is the best path to success and the only requirement of leaders.

Beyond these common misconceptions, the primary limitation of the Industrial Mindset is that it blinds leaders to the multitude of human, cultural, and process dynamics that are actually occurring. Think about the profound impacts in the preceding examples on people, communications, relationships, and culture. If leaders don't fully understand these forces, they can't possibly lead these changes.

## **Introducing Conscious Change Leadership**

There are two different approaches to leading transformation: reactive and conscious. The reactive approach refers to leaders who see the world through the Industrial Mindset lens. Reactive leaders operate on autopilot, simply doing what they have always done as if the transformation playing field is the same as the "running the business" playing field. They primarily pay attention to the external world, never recognizing the need to test if their habitual internal assumptions and change strategies are still effective. They simply see what they have always seen about change out in the organization, with no self-reflection. Their Industrial "blindness" and lack of introspection cause them to remain "unconscious" of the real people and process requirements of transformation, or adamant about their lack of importance or validity.

The conscious approach refers to leaders who are "awake at the wheel," aware of the actual dynamics of transformation. These leaders orient to both the external and the internal worlds. Through reflection on the content and impact of their own mindsets on leading change, they can move beyond their old "Industrial" habits and lead by the principles of the Emerging Mindset. They see the people and process dynamics at play in the organization because they look for them, knowing they are key to leading the change. These leaders intentionally strive to increase their own conscious awareness about how the organization and its people are changing, including themselves. With minds open and eyes sharp, they can effectively navigate the complex freeway of transformation.

Reactive leaders spend their time in crisis about change-related problems they didn't see coming. Change management is valuable to them because it helps manage the fallout from these self-induced problems. Conscious leaders, however, proactively *lead* their organizations through

these complexities successfully, thus avoiding the fallout. The key here is not just change leadership, but *Conscious Change Leadership*.

## **Developing Conscious Change Leaders**

Conscious change leadership begins with the full realization of the power of mindset to govern perception and performance. Once leaders wake up to the central role mindset plays in their success, they more readily turn inward to investigate their own mindset.

Leaders must do this personal work either first or very early in the change process. Given the prevalence of the Industrial Mindset among executives today, this is a tough first challenge. The most common question we hear when speaking or training leaders and consultants about conscious change leadership is, “How do I get the executives to look in the mirror at themselves and see that it is how they are thinking, behaving, and leading that is standing in the way of the organization’s future success?” There is no pat answer to this dilemma. However, leaders wake up most readily when they see tangible evidence of how their own mindsets have effected their organizations, their change efforts, and their lives. Consultants can support them to discover the *actual impact*, both positive and negative, that their own mindsets are having on their organizations’ change results.

We worked with the CEO of a utility facing deregulation. Through feedback, coaching, and participation in our leadership breakthrough program, he came to see that his mindset, controlling and paternalistic, was impeding his organization from innovating new business strategies for the deregulated environment. He also saw that his “defense” strategy was to “stay alive” as a company, rather than to abundantly thrive. This was limiting his scenarios for the company’s future. His personal insights were

transformational for him, his change strategy, and the company.

This breakthrough work is most effective when done experientially, away from the office setting in a skillfully facilitated training environment, under well-crafted and safe conditions that enable self-reflection. Please note that the intent of this training is not personal growth for its own sake. It is *increasing change results* through personal change.

When done in the context of increasing change results, this is a powerful and necessary component of transformational change strategy. In our consulting practice, all of our clients engage in this breakthrough program at the beginning of the transformation. Once leaders have begun to change themselves, they can then model and sponsor this depth of personal work effectively across their organizations. In the case above, the CEO provided the breakthrough program for his top 1200 leaders, and sponsored a visioning conference for his top 300 leaders, a first in their history. To model his personal changes, he opened the event by inviting everyone’s creative input towards shaping the future of the business, no holds barred.

When leaders design their change strategy to wake up a critical mass of the organization so that it embraces the new mindset and can deal with the ongoing human and process issues, the navigation of the transformation becomes easier, faster, and more successful, as was the case with this client.

## **Addressing the Cultural Imperatives for Change**

As mindset is to the individual, culture is to the organization. Culture is a function of people’s collective mindsets. Therefore, change strategy must overtly address culture change, as driven by the needs of the new business.

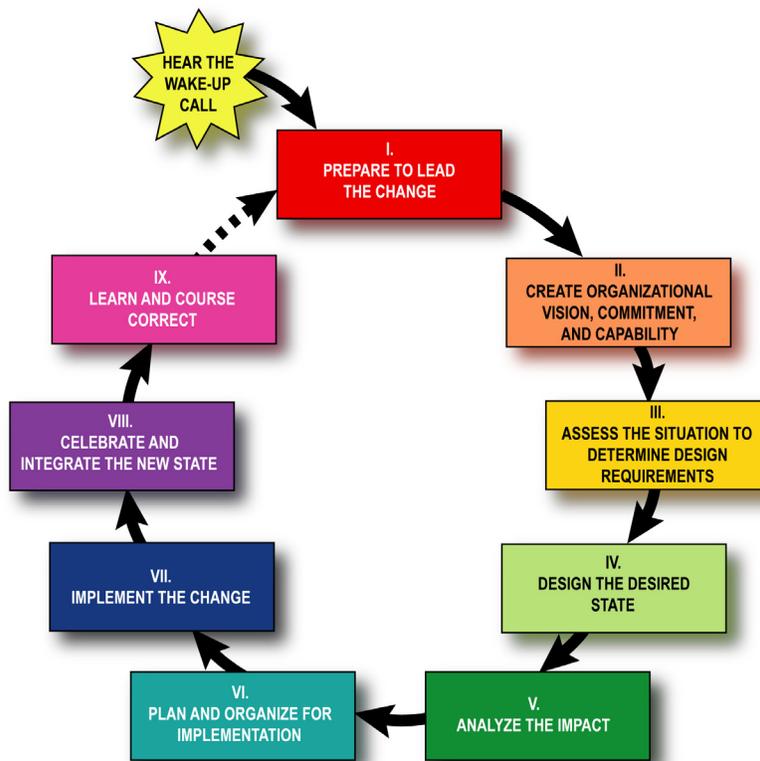
The organization's existing culture must be assessed for its fit with the future state's requirements, as they are discovered. Nine times out of ten, if the organization's culture is not consciously attended to throughout the transformation, the effort will struggle or fail. One of the most powerful culture change strategies is wide-scale personal change to reinvent the mindset and cultural norms for the organization's success. This strategy, used in the utility mentioned previously, requires competency in the third cornerstone of change leadership.

### Understanding the Process Dynamics of Transformation

Transformational change requires leaders to shift from project management thinking to process-oriented thinking. There are several principles that define some of the key requirements of process thinking, each of which is central to conscious change leadership.

### Transformational Change Cannot Be Managed

One of the flaws of change management in its application to transformation lies in its title. *Transformation cannot be managed.* This fact must be accepted and integrated by those in charge of transformation. Otherwise, if they are constantly worrying about the unknown, in fear of not having a guaranteed outcome by a certain date, or always battling the natural chaos of the process, they will never be in a position to *consciously lead* the transformation. Instead, they will always be in reaction to it.



Leaders must let go of the need to tightly control the change process, yet they still need a navigation system. We use *The Change Process Model for Leading Conscious Transformation*, shown below. This process model provides a roadmap without dictating the roads to take. The roadmap helps leaders get to their destination, but they must determine the actual path they travel based on the terrain they encounter.

In this way, the change process roadmap is used as a thinking discipline. Rather than attempting to force-fit the organization's behavior into a prescribed plan and rigid timetable, the change process roadmap assists leaders to *consciously* tailor their unique change process and its pace to the ever-changing variables they face. Leaders and consultants can use the model to plan, monitor, and course correct the entire change process, attending to both the organizational/technical aspects and the human and cultural components.

### **The Process and the Outcome Are Emergent**

Even using the Change Process Model, the transformation process will have a life of its own; by necessity, both the process and the outcome will be emergent. According to Webster, emergent is defined as "arising unexpectedly or evolving as a new or improved development; to become apparent or known."

The outcome is emergent because you must begin the change effort before knowing precisely where you are going. You must "let go of the old trapeze" before the next one is in sight. Hopefully, it will become reachable before you fall, but only if you craft a change strategy that enables that possibility. High involvement is key. Since nobody really knows what will turn out to be the best business solution early in the process, leaders must invite the intelligence of the organization to envision, create, test, and innovate until the best future becomes apparent—emerges—and can be put into place and evolved.

The process is emergent in that dynamics in the organization, marketplace, and people are constantly in flux. Production or quality issues may show up; unpredicted resource demands may surface; competitors may beat you to the market with advanced technologies. "Who would ever have guessed?" is a common comment about the transformational roller coaster. Therefore, the mindset of the conscious change leader must be "Plan as best we can, then deal with whatever shows up."

### **Learning and Course Correcting**

A major theme of transformational change is *learn from what is happening and immediately course correct the process and the outcome*. In and of itself, this sounds obvious. However, it represents a monumental mindset and culture shift for most organizations. To really embed this principle, the change strategy must include ways to directly unravel such cultural norms as "kill the messenger of bad news," "make a mistake and you're dead," "don't rock the boat," and "prove the viability of something before taking action on it."

"Learning and course correction" is both a mindset and an operating practice. Not only must the beliefs and behavioral norms of this way of being be determined and instilled in the culture of the organization, but a system and work practices for it must also be developed. For instance, leaders must encourage feedback, new information, and two-way communication as well as make it clear where to send this information and how it will be used to influence either the outcome or the change process. In traditional organizations, leaders keep shifts in their previously communicated plans under wraps. In the consciously led organization, leaders publicly invite them as contributing to the rapid discovery of the best outcome.

## **Creating Critical Mass Through Whole System Engagement**

Transformation will only occur when a critical mass of the organization has undergone the required mindset change to perform in ways that produce the desired outcome. The fastest way to achieve critical mass, as well as wide-spread commitment to the change, is through whole system involvement in the process. All stakeholders must be included in shaping the future and the process of creating it.

Large group interventions such as “Future Search” (Weisbord, 1995), “Real Time Strategic Change” (Jacobs, 1994), “Visioning and Design Conferences” (Axelrod, 1992), “Whole-Scale Change” (Dannemiller, et al, 2000), and “Open Space” (Owen, 1997) are excellent ways to generate collective intelligence on various aspects of the change, heighten commitment and excitement, and alter both people’s mindsets and the organization’s culture. These interventions are key acceleration strategies for every phase of the change process, allowing major pieces of work to be accomplished in much shorter time.

## **In Summary**

Conscious change leadership is the next generation of leading and consulting beyond change management. Becoming a conscious change leader requires you to pursue your own learning and transformation—transforming your mindset, altering your behaviors, and evolving your leadership or consulting style and approaches. It means expanding your thinking about process and your repertoire for designing and facilitating the complexities of transformation. It demands taking a stand for the personal change required of leaders and the workforce. And, as you do your own individual work, you will not only benefit personally, but become a model for everyone you seek to influence. We believe that through this conscious approach to transformation, you can create the conditions for discovering the future

and ways of being that our organizations and society need to thrive.

## About the Authors

Dean Anderson and Linda Ackerman Anderson are the co-founders of Being First, Inc., a results-oriented change leadership development and transformational change consulting firm working with visionary leaders of the Fortune 1000, government, and large non-profit organizations. For twenty-five years, Being First has been assisting executives to maximize their ROI from change, transform their cultures to high performance, and build their organization's change capability. Being First provides a complete change solution, including change strategy development, change methodology and tools, training, coaching, consulting, and hands-on change project support. A Deloitte and Touche research study once named the Being First Change Methodology the most comprehensive in the world.

Mr. Anderson and Ms. Ackerman Anderson are co-authors of two cutting-edge books on change, *Beyond Change Management: Advanced Strategies for Today's Transformational Leaders* and *The Change Leader's Roadmap: How to Navigate Your Organization's Transformation*. They co-author *The Change Management* column for *Workforce Performance Solutions* magazine, as well as the e-newsletter, *Results from Change*, which is distributed to change leaders and consultants worldwide.

Mr. Anderson and Ms. Ackerman Anderson speak internationally about the people and process dynamics that are key to succeeding at transformational change. They can be reached at [info@beingfirst.com](mailto:info@beingfirst.com) or 970-385-5100.

## About Being First, Inc.

**BEING FIRST, INC.** is a highly specialized change leadership development and transformational change consulting firm, serving Fortune 1000 companies, government agencies, non-profit organizations, and change consultants worldwide.

We partner with our clients to achieve breakthrough results. We provide a fully integrated solution of consulting, training, coaching, change methodology, and tools; everything our clients need to radically improve outcomes. We are experts in unleashing extraordinary human performance, transforming culture to enable that performance, and developing leaders to lead those transformations.

## Outcomes

- **Maximize ROI** by achieving the tangible business results you are after from change; faster and with less cost to your business and people
- Build your organization's **change capability and skill** so you can consistently reap the benefits of successful change, now and in the future
- **Transform your people and culture** to truly unleash breakthrough performance
- Develop your managers and leaders into **competent change leaders** who know how to lead all aspects of change, including the people and cultural dynamics
- Develop your internal consultants into **expert change consultants**

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- **Change Strategy Development and Process Planning** for complex transformation
- **Change Leadership Development and Coaching** for senior executives, change sponsors, change process leaders, change project teams, change consultants, mid-managers, and frontline targets of change
- **Change Consulting** that ensures you get the best change solution implemented by an engaged group of stakeholders
- Change Consultant Development to build your in-house skills
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