

## 3 Reasons Why Transformation Fails and How to Build a Business

### Transformation Team by Lorna McDowell, organisation risk analyst and transformation mentor & coach supervisor, Xenergie

Consulting [www.xenergie.com](http://www.xenergie.com)

Lorna will be co-hosting **Unlock Cultural Gridlock Organisation Analysis** workshop with John Bazalgette of the Grubb Institute in Dublin on **10th June** (further information on [workshop section](#) of Xenergie website).

Recent events from recession to the eruption of the volcano in Iceland have caused disruption on a massive scale. The ability of your company to respond, innovate and survive in these times is crucial, and at a time when you are probably trying to achieve more for less. This doesn't just call for improvement or good leadership, it calls for whole system transformation – the ability to join up the dots of parts that have been working incoherently in silos and the ability to release current habits and attitudes and embrace new ones. The disruption of this itself is enormous and hugely underestimated, because learning to transform is a habit to adopt, not an after-thought event once the emergency has happened. It requires highly skilled expert management and a team of “transformers” working continuously together, under expert guidance.

Firstly, let's get real about transformation – **REAL TRANSFORMATION IS MESSY**. Whilst you may announce new strategies of promises to customers with tweets, trumpets and brass bands playing, new strategies involve new attitudes in order for them to be effective. This WILL involve much conflict, frustration and learning to begin the process of understanding what needs to change and why, and then how to do it. This also takes TIME. The statistic that 75% of change projects fail due to inattention to culture is an old one and yet it is still highly quoted in theory and largely ignored in practice. Here we explore three of the main reasons why.

#### 1. Abortion of the Operation – Fear of the Dark Night and no Time for It

There are three distinct movements through transformational change and most organisations fail to get through stage 1. Bruce Reed, founder of the Grubb Institute of Behavioural Studies, describes these as Regression to Dependency, Extra-dependence and Transformation in his theory of Oscillation which describes the change continuum in organisation life. Otto Scharmer, in Theory U, describes these same three stages as Sensing (bumping into our blind spots), Presencing and Realising, with seven distinct sub-stages across the seven movements.



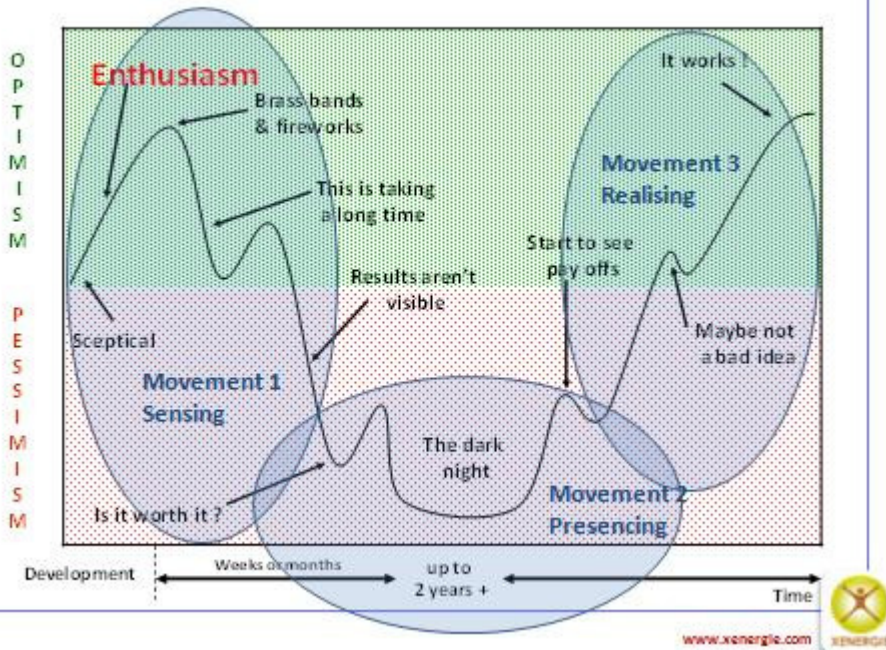
In each case, the first movement is the longest and requires a deep dive into a “dark night” of encountering numerous blind spots. The experience of this is frustration, anxiety and conflict as beliefs and behaviours are challenged to the hilt. As the dark night progresses, it becomes personal, because change must touch a meaningful level for people if they are to engage themselves in it. And so, this is how that no longer serves can be released, by reaching well below the surface to subtle layers that one never knew were actually there, and yet impacted certain outcomes.

Unless there is a compelling reason to enter this dark night, most organisations avoid it because it is approached as an event to be feared, like the visit to the dentist for root canal work. In fact many give up, just before the point of presencing, the beginning of movement 2, because releasing the old is more painful or feels more uncertain, than treading new ground. The irony is that the next two stages of discovery and co-creation are relatively faster than the first because the way has been cleared for them, there's a strong will and commitment behind them so they are easier to activate.

The other reason many organisations give up because they are simply very unskilled in managing transformation and do not realise the context of the process that they are in, and the time it takes. As a result, they experience only unhappy disruption, a waste of time and an overriding need to restore harmony. So the organisation quickly packs up the mess and returns as fast as it can to a state of “normality”, with some simple improvements that don’t knock the status quo. That has been largely possible in a stable world. However, now we live in a highly unstable world, so there is no return, Gaia is rocking our world and causing large-scale transformation. Pregnant with possibility of a new world, the seed has been sown and it is no longer a choice. There has to be time for it, because it IS the time for it. The new babies will be

born and the time bomb ticks for those who still think they are immune.

9 Stages through 3 Movements of Transforming



## 2. Fear in the Root Canal causes Organisation Decay

Culture is complex because culture involves working with the inner world of your people. Whilst millions is spent each year on understanding customer psychology, little time or money is spent on understanding the inner world of staff. Like a set of teeth that has never seen a dentist, this neglect is arguably the greatest source of decay and inefficiency inside an organisation. The rot, caused by spreading (unacknowledged) anxiety and fear which manifests in many forms, sets into the root canals that cannot be seen except when the unhealthy behaviour

surfaces. Like humans, organisations need cultural health checks to stop the spread of fear. And even if you have a shining white set of gnashers on the outside, be aware that where there is complacency there is also anxiety somewhere in your root canal.

In our work, Xenergie identifies the “Four Fears of Avoidance” which cause organisation decay: fear of intrusion, fear of exposure, fear of failure and fear of scarcity. This collusion of fear is highly damaging creating “rigid and static systems” by setting in place a culture of protectionism, insular thinking, disconnection, rigidity and complacency – all the things that organisations are now recognising are holding them back, and a culture that is grid-locked into maintaining the four fears like guards of castle with the drawbridge up, or he/she who fears the dentist’s chair, preferring to settle for a pair of rotten gnashers, risking eventually having none at all.

Businesses that are more flexible for transformation see themselves as “living systems” – they cultivate attitudes of connection, vigilance and awareness inside and out, led with a common joined up message. People readily explore each other’s beliefs and attitudes in order to understand and generative more awareness and learning and the whole culture is generative not degenerative. The alchemy of the parts creates a continuously transforming whole, where innovation is a way of life rather than an event on a five year plan. The prevailing attitude is one of abundance where, working alongside prudence and integrity, it is possible to do more for less because there are always other resources that haven’t yet been identified. Such resources emerge because the context is always changing and it is being continuously read and responded to through an active process of reframing and seeing the world as a living system.

## 3. Complacency is the Enemy of Risk Management

How ready is your company to cope with transformation? The answers to some of these questions will give you a clue:

- Do you avoid conflict and working maintaining harmony?
- Do you avoid questions that challenge your leaders?
- Are your performance metrics organised in silos?
- Do people always sit with the same groups at lunchtime?
- Are you always working under pressure with little time to reflect?
- Are strategy meetings an occasional event?
- Are leaders too busy to listen?

### How does one begin to work with this?

Key to managing transformation is the creation of a specific business transformation team within your organisation that is highly networked throughout your organisation. Their most important work is to contain and work with the blind spots, frustrations and mobilisation of Movement 1 described above.

This team is usually NOT the leadership team –as the leaders are often the ones that hold dear to their strategies and cannot see what is happening from their seat in the organisational hierarchy. The team is a cross-functional, cross-hierarchy team of people who are naturally resourceful, able to make connections, high self awareness, emotionally intelligent, resilient and working from generative attitudes. This requires authority and enablement from a leadership team that is prepared to be challenged to keep on their toes.

A business transformation team studies what is happening inside the organisation on a regular basis and what that means, creating cultural risk an opportunity intelligence that informs leadership strategies and decision making, through reflective work that brings together and sees from the whole, what is happening. They also explore the changing context and what that means. By melding the people, the context and the inner and outer systems, they are able to see from the whole.

It is specialised work that requires a range of skills and extensive training. For this reason and for reasons of maintaining edge and objectivity, the team should work under the guidance and mentoring of an external experienced systemic organisation analyst team who mentors and coaches the team as a support in the background. The objectivity, insight and experience is impossible to achieve from an internal mentor because he/she is more likely to collude or not institutional blind spots and is limited by the fact of their employment.

### How can we help you?

Xenergie Consulting helps organisations in three respects:

1. **Strategic risk management:** organisational culture risk assessments
2. **Organisation design and learning:** structure, selection, training, coaching and mentoring of business transformation teams
3. **Shadow consulting:** ongoing strategic support, scenario planning, mentoring and coaching supervision of business transformation

To know more about how we could help your organisation, please contact Lorna McDowell at [lorna.mcdowell@xenergie.com](mailto:lorna.mcdowell@xenergie.com).

An introductory one-day workshop, *Unlock Cultural Gridlock*, will take place in Dublin on 10 June, hosted by Lorna McDowell and John Bazalgette of the Grubb Institute. The cost is 195 euros. For more information and to sign up visit [www.xenergie.com/workshops](http://www.xenergie.com/workshops).