Toward Interdependent Leadership Culture
Transformation in KONE Americas

By: John B. McGuire and Charles J. Palus

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The focus of this chapter is the development of a leadership culture, capable of strategic execution in an organization that is facing the complex challenges of an increasingly interdependent world. Our work indicates that we can improve the probability of success in culture change by following five principles in a four-phase methodology. This is illustrated in the case of KONE Americas and their multiyear, guided transformation journey. It moves from their legacy as an achievement- and conformance-based culture to a much more collaborative, interdependent, and successful, industry-leading organization. Key lessons revolve around the idea that culture change is an organic public-learning process with inherent risks and rewards, rather than a step-by-step cookbook approach. Executives do the change work first, link it to the business strategy, and move toward engaging the whole enterprise in corresponding zones of parallel, multilevel development. From the outset, a collaborative learning mindset sets the tone for the change process that advances toward an increasingly more interdependent leadership culture.

Introduction

A declaration of interdependence is underway (McGuire, 2010). There is an evolution in thought and action in which leadership is increasingly understood as a process shared by people throughout an organization or society (Drath & Palus, 1994; Drath et al., 2008; Denis, Langley, & Sergi, 2012). Collaborative work across boundaries is required to design and implement bold strategies in a complex and changing world (Ernst & Chrobot-Mason, 2010; Pasmore & Lafferty, 2009).

But collaboration in most organizations is not a natural act. A shift in thinking is usually required for genuinely collaborative work. Everyone says they want changes in leadership behavior, to be more interdependent in work processes and shared systems, but mostly that hasn't happened. How did we get here?

Change programs tend to follow a step-by-step process following change models or a model such as the Kotter model (Kotter, 1996) or they tend to be more organic (Cameron & Quinn, 1999; Dennison, 1997) using large group and appreciative inquiry types of methods (e.g., Weisbord & Janoff, 2007; Cooperrider, et al., 2000). In a sense, regardless of the approach, most successful change models are organic in the sense that change is dynamic and organic in nature and rarely follows a cookbook approach. The approach presented in this case is intentionally an organic approach based on the assumption that people are complex human beings with minds and imaginations and beliefs and that they need to be engaged and involved in order to learn and change.

Intentional transformation toward a leadership culture of interdependence is feasible under the right circumstances. Our work indicates that we can improve the probability of success in culture change by following five principles in a four-phase methodology.

Principle 1: Culture change is a guided, public-learning process.

You cannot simply manage people into change. The guide role in a public-learning change process is about becoming a trusted partner who helps to steer change. Playing a *guide* role with executives is about engaging them in a learning process in which they experience for themselves the shifting boundaries and conditions inherent in culture change. Our litmus test for the probability of success in culture change is the degree to which a senior team is able to accept the risks and vulnerabilities inherent in public learning (Bunker, 1997; McGuire & Rhodes, 2009).

Public learning for the individual includes truth-telling, revealing mistakes, admission of not having all the answers, and of sharing confusion and even uncomfortable emotions. This is an *inside-out* experience of our imagination, emotions, and human spirit. Everyone has a sense of belonging in a culture that tugs back at the urge to change. Clients must confront the risks they take and the vulnerability they feel in change that triggers fear, uncertainty, and anxiety. But with proper guidance we can discover that change also holds innovation, creativity, and joy.

Principle 2: Executives do the change work first.

Executives must lead by engagement and example in the transformation process. Senior leaders must own and model the new behaviors first. They begin by creating an environment of credibility (Marshall, 1999), before immersing larger numbers of key leaders in the change process. Developing senior leadership's capability to deal with increasing complexity is core work.

Principle 3: Develop vertical capability.

Dealing with the increased complexity across organizational boundaries and market systems requires more mature minds. Foundational to our approach is the vertical framework for changing leadership culture. We chart development stages from *dependent* to *independent* to *interdependent* leadership cultures (Palus, McGuire, & Ernst, 2011). Advancing through stages of development together grows people increasingly capable of sophistication in the face of complexity (Drath, 2001; Torbert, 2004; Kegan, 1994; Wilber, 2000; Petrie, 2011). Every interaction in our development process is focused on growing bigger minds and both-and thinking that can deal creatively in the face of complexity.
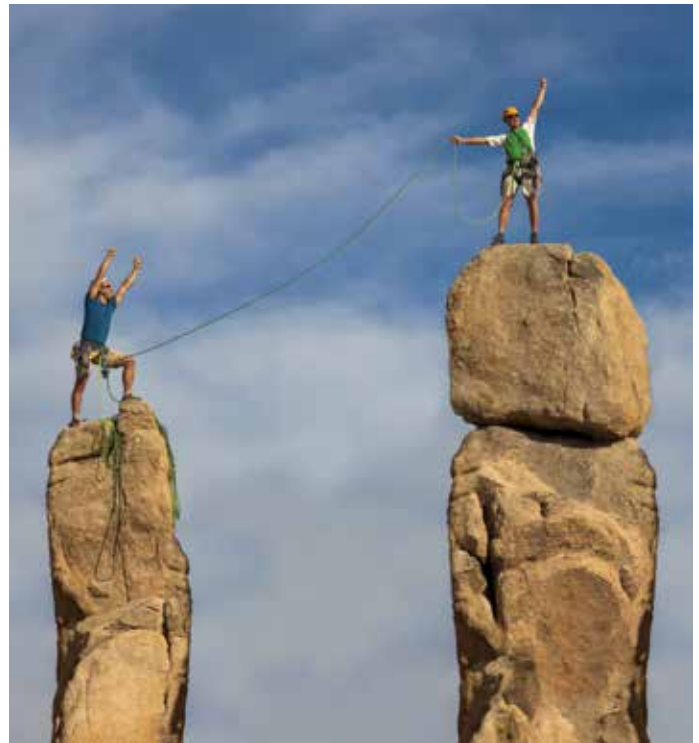
Principle 4: Leadership culture changes through advancing beliefs and practices (behaviors) simultaneously.

Best beliefs drive best practices drive best beliefs—like an infinity loop, beliefs and practices are mutual and interdependent. Advancing to a next stage in leadership culture requires developing a self-reinforcing web of beliefs and practices that requires explicit shared, public understanding and practice. Culture change requires changes in behaviors. Some argue that you have to behave your way into new beliefs rather than believing your way into new behaviors. Our work develops mutually reinforcing beliefs and practices in parallel.

Principle 5: Sustainable culture change is a learn-as-you-go process embedded in the work of the organization.

Leaders need to learn new beliefs by inventing and testing new practices—new ways of working together. To get to that shift we help clients to learn actively as a core work practice. We insist the work in culture is as equally important as the work in technical systems and processes; that culture development is the work and not a separate "training exercise." People must take the time for both action and reflection in a learning process—to invent and see and reflect and believe in change that is working.

Culture-Change Methodology:

Our approach uses four broad, overlapping, reinforcing phases and includes two essential ideas. In the initial phases we insist on improving the probability of success by assuring organizational readiness to do the required work. This work is not for everyone. We measure readiness early by senior leadership's willingness and ability to engage in the learning and change process. As the work advances we build culture change first within work groups and then across those groups that develops toward a critical mass for enterprise-wide change. Our goal is to eventually involve everyone in the organization in a learning process that creates trust, ownership, and increasing forms of interdependence. These overlapping and parallel phases are as follows:

1. Discovery Learning
Determining Willingness: establishing the feasibility of entering the change process

2. Players' Readiness
Developing Understanding: growing a deeper appreciation of the long-term implications of integrating a new culture into the organization's work

3. Game-Board Planning
Framing the Change Process: practicing interdependent leadership through mapping business and leadership strategies, the learning process, and organizational work targets

4. Playing the Game
Building Capability: simultaneous and parallel implementation, already established in parts, into the whole organization

The KONE Americas Case

KONE global, a Finland-based 100-year-old firm in the elevator-escalator industry, had a compelling vision of urbanization and people flow. In 2007 the financial crisis was in full swing, but KONE Americas expected to feel the impact later than other industries due to the lag time from contract to construction. KONE Americas thus had a brief window of opportunity for parallel development on three key fronts:

A. To prepare the business for a significant market downturn in new equipment revenue and margins

B. To pursue industry leadership

C. To begin transformation of the leadership culture toward the interdependence required for strategic agility

The senior vice president of human resources had initiated talent management processes, including succession management, and a performance process, and compensation system that could engender collaborative work. In addition he had provided individual development for the top 250 leaders. In the fall of 2008, he came to consult with us about the next HR-driven development plan. He walked away a day later with an unexpected epiphany. He shifted to see that a sustainable culture change toward interdependence would mean a major mindset shift to "leaders developing leaders." He clearly saw an alternate future where true ownership of business, system, process, and people development would be required by all senior leaders working together—well beyond the traditional view of HR being responsible for the development of the culture.

When we engaged with KONE Americas to pursue this path, we found a company with an uneven past. They had been a US company acquired in the 1990s by KONE, and they had a primary identity in heavy industry operations where project management and financials were the focus. A strong, family-based culture was evident with interpersonal connections dominant. The next decade brought a variety of challenges, from a difficult adoption of an enterprise resource planning system, to important improvements in both the new construction and service businesses. A few new executives were added to the team to assure healthy business transitions. Then the current CEO arrived.

Throughout 2007 the new CEO had reorganized into an integrating structure, created trust by retaining and redirecting almost all the previous senior executives, and was leading the business methodically through practical, incremental improvements. They had quickly proven their operational ability in the selection and rapid achievement of business improvement targets—they were confident in saying:

> *"We can achieve any goal we bring a unified focus to."*

The CEO's early declarations of the importance of leadership stood out. He declared that how work was done was as important as what work got accomplished. His vision that they would be known in the industry for leadership as much as for high-quality performance was unusual. However, it was evident that being "comfortable" in a fourth-place position in the increasingly competitive industry was not sustainable. Deeper change was needed for a robust, strategic future.

We observed a culture where attention to accountability and discipline were practiced, but inconsistently, and where open conflict and direct feedback were avoided. Strategic leadership was not a strong capability. The business environment was seen as "comfortable," yet not ready for a more challenging future.

Over the next three-and-a-half years we would engage every employee in the culture transformation process. We took an action research approach to our work (Torbert, 2004; McGuire, Palus, & Torbert, 2007). Our focus was on invention more than intervention. We did not rush through an outside-in process to force our client through a transformation. Rather we helped our client live the transformation from the *inside-out* as the client cocreated it and experienced it unfolding.

Phase 1. Discovery Learning
Determining Willingness

In 2008 we conducted interviews with the executive team (ET) in preparation for the initial discovery workshop. The data revealed a team of independent managers, competent in their functions and line business roles. Some trust had developed in the CEO and confidence in his endurance was rising. The culture of independent achievement was characterized by both unit performance and internal competition. However, there was reportedly a lack of consistency in process and performance to standards down into the field. Ownership, accountability, discipline, and trust across boundaries were reported by executives to be varied. The ET, under the CEO's direction, was a high-functioning driver of operations from the top. Together their collective business operations knowledge and competence was impressive. However, they met monthly only by teleconference for half a day and with an operations-only agenda.

The discovery workshop was a two-day off-site meeting designed to measure leadership capabilities and gaps, as well as to test the willingness and ability of the team to engage in transformation work. The participants were in the driver's seat of assessing their own capabilities as needed to meet their complex challenges. They discovered their inability to have truly collaborative conversations. They observed a divide between line and functional managers in their understanding of the company's strategic direction. They acknowledged their shaky trust in one another and their reluctance to confide in each other. They faced up to their avoidance of conflict by "putting a few fish on the table" (their language for "undiscussables" [Argyris, 1985] or "elephants in the room"). They diagnosed themselves as an independent-achiever leadership culture among the top leaders, with a *dependent-conformer* leadership culture in the customer-facing front lines.

Prior to the discovery workshop the executives reviewed the design outcomes. Participants had all agreed to the expectations of public learning. Agreeing to an idea and the direct experience of living it can be distinctly different. A point of truth occurs when individuals pass into and face a new cognitive-emotional reality that exposes their anxieties and taps vulnerabilities.

With the KONE team we practiced a disciplined dialogue each half day of the workshop. In dialogue we keep advocacy in check and encourage mutual reflection and inquiry. The client's job at this point in the process was to explore, uncover, discover, and learn—not problem-solve or take action, not just yet. We are practicing the development of an intentional openness that public learning requires. These executives moved cautiously yet incrementally forward into greater degrees of openness with each other about the realities of their business issues and the truth of their cultural beliefs.

During the fourth dialogue session, key executives chose to risk public learning; this was a tipping point for the team. Previous undiscussables surfaced and truth-telling was practiced. As deeply held issues surfaced the team began to challenge each other to a commitment to develop the team and the culture, to take time out for learning. Finally, they ventured toward making decisions and taking action to resolve the issues they uncovered. They chose to move beyond the constrictions of their financial environment and began to meet monthly face-to-face to invest collectively in development for their future. Another outcome was to carry this sense of unity and intention forward to their teams early in 2009 at the annual meeting. And while taking this risk elicited a range of responses from excitement to confusion, the executives' commitment to culture change extended the discovery phase into the Top-100 senior leadership very quickly. Their commitment to the development process was becoming clear.

Table 1: DEFINITION OF TERMS

Leader: The role of a person who participates in the process of leadership.

Leadership: The social processes producing the outcomes of direction, alignment, and commitment among people with shared work.

Leadership Culture: The self-reinforcing web of individual and collective beliefs and practices in a collective for producing the outcomes of shared direction, alignment, and commitment.

Leadership Development: The expansion of a collective's capacity for producing shared direction, alignment, and commitment.

DAC: The outcomes of the social process of leadership are shared direction, alignment, and commitment (DAC).

Interdependent: A form of leadership culture or mindset based in the collaboration of otherwise independent leaders and groups.

Independent: A form of leadership culture or mindset based in heroic individual achievement.

Dependent: A form of leadership culture or mindset based in conformance or tradition.

Vertical Development: Transformation of leadership cultures or mindsets from dependent, to independent, and to interdependent, such that each more capable successive stage transcends yet includes earlier ones.

SOGI: The social processes of leadership operate, and can be developed and analyzed, at four nested levels: individual, group, organizational, and societal (S for Society, etc.).

Culture Tools: Tools and methods to help people see and experience, reflect upon, and then begin to intentionally and strategically shape their culture. "Quick" tools are portable and adaptable with ease-of-use for groups.

Discovery: Beginning, and then tracking, the process of culture change by deeply understanding the future vision and strategic purpose to be pursued.

Public Learning: Learning as a group activity, such that potentially difficult topics require social risk taking and personal vulnerability as they are explored with the goal of shared insights and better solutions.

Four Arts—Dialogue, Headroom, Inside-Out, Boundary Spanning: The time and space for leadership groups to practice extending internal experiences, that expand public learning across human and system boundaries, and channel better design choices into organizational action.

Dialogue: A public learning conversation that temporarily suspends judgment and explores underlying assumptions across differing perspectives with the goal of shared learning and deeper mutual insight.

Headroom: The time and space to model risk taking in public that explores breaking old patterns and experimenting with new behaviors, and that lifts up, or vertically advances, the leadership culture toward interdependence.

Inside-Out: The subjective, internal individual development experience of focus on imagination, intuition, curiosity, emotions, identity, beliefs, and values.

Boundary Spanning: Seeing, bridging, and leveraging five types of group boundaries: horizontal, vertical, demographic, geographic, and stakeholder.

Beliefs in Action Storytelling: A type of dialogue using personal and shared stories about experiences in the organization that illustrate how changing beliefs result in different kinds of actions and a changing set of outcomes.

Learning Pathways Grid: A public learning technique for debriefing a difficult interpersonal situation that looks at outcomes in terms of actions and the assumptions and beliefs underlying those actions (Rudolph, Taylor, & Foldy, 2001).

Phase 2. Players' Readiness
Developing Understanding

Throughout 2009 the executive team faced emerging business challenges, launched strategic groups, established foundational beliefs of the new culture, and pursued industry leadership in several sectors. Their catchphrase for taking time for learning and development was "slow down to power up." A strong joint commitment allowed us to attend ET meetings and to participate in their work interventions directly. This provided a practice field for developing new behaviors and beliefs. They created four strategy teams that spanned boundaries, including non-ET members from across the enterprise to focus on strategic finance, operations best practices, and environmental excellence. And they established a leadership strategy team hosted by the CEO. Our early work together was already transforming the culture across select work groups and advancing the achievement of industry excellence across the business.

One business challenge stands out as exemplary of the pursuit of industry leadership. The company took a risk in abandoning a base revenue stream by attacking an industry standard solution with a more expensive, but operationally superior eco-friendly elevator. They made great strides in working collaboratively in field teams that were piloting safe, quality installation, pursuing stretch goals, and improving margin.

We assisted this work with multiple opportunities to observe and participate with their culture in action. We helped them understand it in terms of culture stages moving along the *dependent* to *independent* to *interdependent* pathway, and to plot goals and strategies for development. One strategy was to create a fishbowl—a transparent "learning lab" environment in which action, reflection, and collaborative engagement were normative. We invited and fostered this *public learning* atmosphere where using quick tools (tools that can be used in the moment) alongside the *four arts* expanded the headroom for deeper and bigger minds. Our four practical arts of development and tools that build interdependence allow multiple right answers to emerge, where the best, most organizationally powerful ideas win, rather than the best individual's argument winning. Interdependent thought is "both-and" thought that transcends either-or thinking. We operated in this *headroom* expanding bigger-mind environment using both right brain, image-based tools (Palus & Horth, 2002) to spark imagination and connections, and left brain, cognitive strategy and learning tools. We used action inquiry (Torbert, 2004) processes that spotlighted behavioral practices and revealed beliefs in action and their results. We also practiced storytelling as a vehicle for conveying learning and best *beliefs-in-action* stories that can lead to best practices.

One executive team meeting was a turning point. Through the dialogue process, a hidden assumption was unearthed. While the executives had aspired to an interdependent culture for formal leadership (themselves and the Top-100), they had assumed that front line, customer-facing, union-member technicians would continue to be managed with traditional command-and-control practices. During a mindset-expanding dialogue, they discovered and confronted this belief. They were stunned by the implications of their assumptions. They had increasingly discussed a customer-driven future and the crucial growth of KONE's service business depended on the technician-customer relationship. How (they asked themselves) could technicians, the most important link to customers, not be engaged in the culture of interdependent collaboration?

These technicians are often on customer sites for extended periods of time and sometimes carry as much influence as formal managers in the customer relationship. In addition the technicians' collaboration with each other, the client, and the customer team is a key to success in implementing myriad business process improvements and sales and services initiatives. This learn-as-you-go moment became a linchpin in the future of developing and changing the culture.

Also during this phase, an appreciation of the importance of beliefs as the driver of behaviors emerged. A breakthrough off-site was held in which senior leadership dialogued, argued, discerned, and formed their new beliefs that grounded a conscious, intentional pathway for the new leadership culture. They defined in behavioral detail their four foundational beliefs in which they would

- conduct business with interdependent-collaborative mindsets;

- be customer-driven in every thought and action (beyond merely another "customer-focused" environment);

- take 100% responsibility for the enterprise. Accountability was elevated beyond only individual performance or unit/function success;

- expect integrity as the value base for everything we do.

They took great care to define these beliefs as relevant for the organization. They explored a wide range of examples to bring to life the beliefs critical for building organization-wide understanding. The senior leadership team united around these transformative cultural drivers. Most importantly, they developed these beliefs using criteria required to achieve industry leadership. In this transformation work we never talk about a "desired" future state, rather we always emphasize a "required" vision and understanding of the emergent future— one that is essential to both run the business and meet investors' performance requirements today, and capable of framing and executing future-focused unfolding strategies.

One year into the change process, the stage was set for the transformation process to move to the middle tier and front lines of the organization. This would mean not only reaching forward toward a new beliefs-driven mindset, but also reaching back into the past to examine old and competing beliefs that were operating unconsciously.

Phase 3. Game-Board Planning
Framing the Change Process

By early 2010 the ET was clearly and observably practicing their new *interdependent* culture. They were ready to advance the culture further into the organization. The next annual meeting of Top-100 leaders in Mexico was the next arena for slowing down to power up as they leaned further into the culture change.

Building on the leadership strategy work and their progress in the field in their own teams, they decided to formally launch the campaign of an interdependent leadership culture and its four beliefs. To grow and sustain the culture, the focus on the five targets of industry leadership would prove to be essential. This strategic work for future progress would serve as the arena for developing the culture through practicing the four beliefs. It would also launch their journey of leaders developing leaders, a crucial "learning-laboratory" step in the transformation process.

The ET chose to jointly facilitate this learning lab in Mexico alongside CCL. Our CCL-KONE partnership was itself experiencing a transformation. These senior leaders would graduate from being the subject-learners of their own development to the object-teachers of the next wave of the development of others. Playing and coaching are related, yet each requires distinctly different skills. As we engaged in preparatory work, we practiced *public learning* together, using the culture tools to practice interdependence in "live" sessions as our clients shifted into teacher/guide roles. They gained a deeper understanding of how to practice the *four arts of public learning* in *dialogue*, creating the environment of *headroom*, *inside-out* reflective learning, and modeling the *boundary spanning* culture at a new level of thought and action. This new guide-role, public-learning space enabled people to break out of old patterns, explore embedded assumptions, and try out new thoughts and behaviors.

We designed the meeting around the theme of "discovery learning." We clarified these outcomes:

A. All leaders would gain a shared, clear understanding of the new leadership culture required to face the transformative challenges of implementation in 2010.

B. All leaders would have personal, tangible, headroom-expanding experiences of what and how these growing core beliefs would challenge their personal current beliefs, and how they would practice action development into new practices and behaviors.

C. Each functional/divisional team (led by ET members and involving Top-100 managers) would have clear expectations, plans, and commitments for developing the leadership culture during the year, including consequences for not doing so.

D. All leaders would share a clear understanding of the key challenges and key initiatives required for continued advancement of industry leadership goals.

The ET's investment in practicing joint facilitation of the workshops would pay off. Once in Mexico, the attendees had a break-set experience.

The CEO kicked off the plenary introducing the future challenges and goals of the five targets for achieving industry leadership. He framed the business challenges in concert with clear definitions and expectation of the four beliefs required to achieve their stretch goals. Recent wins in the five target areas provided an inspiring platform for future success. He also provided specific examples and irrefutable data to demonstrate where the organization was currently not living up to the four beliefs. This created palpable tension for the group as they realized there was a clear gap in required performance behaviors. And the CEO threw down the gauntlet that everyone present was expected to be demonstrating the beliefs through their actions by the end of the year. He used a simple logic: beliefs drive behaviors/practices—if you want best practices, practice best beliefs. Slowing down to power up, using conscious dialogues in discovery learning everywhere, all the time would become the collaborative common practice. Collective decision making when necessary or advantageous to the customer would be the new status quo. The CEO then went on to frame the workshops and the year of discovery learning that would enhance engagement and grow trust through risk taking in public learning. Importantly, he framed the implementation of the new beliefs as challenging, yet tangible, specific work.

Woven throughout the large-group sessions and smaller workshops was beliefs-in-action storytelling. Executives shared examples of their new ways of working together and the successes already being achieved.

MBTI temperaments were explored through a group histogram displaying the challenges of a culture centered on one primary temperament. Every team engaged in a discovery exercise using our CCL Leadership Culture Indicators "quick" tool to establish their team's present culture and beliefs, marking their challenges for vertical development. And the action research *Learning Pathways Grid* (6 box) tool (Rudolph, Taylor, & Foldy, 2001) was used to walk through select, historical work practices to demonstrate the delta between their required beliefs and beliefs in-action. Utilizing the culture's four arts of development and learning tools provided everyone with a discovery learning-lab experience and set the stage for practicing the leadership culture within regions and districts throughout the year.

Several months later, we reassembled those Top-100 leaders to assist in the *headroom*-expanding *interdependent* process of internalizing the beliefs. We shared *beliefs-in-action* success stories, celebrated progress in leadership, and strategized about next steps in culture and business development.

Beliefs-in-action storytelling is a tool that features successful change that can provide vision for others and a springboard for the future. One success story was about a district customer—a large university who in a tense Friday meeting was on the verge of terminating the services contract. During the following weekend a small but important request for service was handled by KONE leaders collaboratively crossing boundaries and engaging the capability in other districts throughout the region. As they continued to live the beliefs of "customer driven in everything we do" and the practices of interdependent collaboration not only across districts but also across the enterprise, the account grew exponentially. Such stories became the message-keepers of culture change.

A remarkable opportunity in the service business also became a key focus. Stories shared learning about successes in local strategies for capture, acquisition, retention, and conversion of service contracts. Repetition in the development process embeds the new culture's beliefs and practices. This repetition is essential because the new system of beliefs must become strong enough to outweigh the previous beliefs, habits, and culture. These workshops were followed by an ET retreat for planning an organization-wide employee engagement (EE) tour. The plan was to reach every branch and every employee in the Americas with the messages and challenges of the new beliefs in action that were fostering an interdependent leadership culture.

Phase 4. Playing the Game
Building Capability

As willingness to engage and understanding of the change process grows for leaders, the ability to frame the change challenge and engage other leaders in building capability expands.

The KONE employee engagement tour was not part of an original "plan" or roll-out of change. The idea emerged as senior leadership internalized the change work and discerned the way forward. Having successfully brought the new culture into their ranks, they moved naturally forward into the customer-facing part of the organization. The tour furthered the "leaders developing leaders" methodology, where the new culture of senior leadership would be shared directly with every branch and every employee. The tour was conducted through the fall of 2010 and into 2011 and highlighted the goal of industry leadership and the cultural content of new beliefs and behaviors. Every branch workshop on the tour was hosted and facilitated by executives, regional and district managers alongside branch managers and staff. The first two phases of discovery learning to foster willingness, and developing readiness for deeper understanding and engagement, was the focus of workshops.

Our CCL team attended select workshops on the tour to continue our research and study progress. We found the interaction was direct, feet on the ground—not abstract or high level. *Public learning* was practiced as trust, engagement, and ownership were fostered. For example, one regional manager literally repeated the maxim "beliefs drive decisions, decisions drive behavior, repeated behaviors are practices." A group of elevator technicians nodded their heads. The manager then asked, "Do you believe that accidents are inevitable or are you willing to believe in complete safety for everyone and all the time?" The technicians jumped into the discussion of the impact that the two different beliefs or mindsets have on real-world decisions and actions.

The tour truly engaged the entire organization in the transformation effort.

Most recently we joined a *Leaders Developing Leaders* retreat with all of the organization's line managers developing operational skills while practicing the culture's beliefs and behaviors. One story stands out that exemplifies the *interdependent leadership culture* in action. Attending a regional planning session, we observed a team insistent on *slowing down to power up* in dealing with a challenge. They identified a "fish" and put it on the table, insistently explored it, and committed to further action follow-up. They believed it dealt with accountability, was vital to a healthy culture, and, therefore, was not an option to avoid. They conducted a brief *dialogue*, identified and agreed on the imperative, and committed to further work. As the meeting progressed, either-or arguments were quashed early as difficult dilemmas were cited needing both-and creative attention. The maturation of the culture's beliefs and practices were evident as they guided the public-learning process and enacted *interdependent* capabilities.

A few days following the retreat, the CEO received a note from a branch manager containing these paraphrased comments: "You need to be very proud of your team . . . four years ago you began talking about things never discussed, and it is clear that your team has been listening and learning . . . there is a clear difference (now) in the leadership (culture) of most and it is recognized by my peers."

Summary

While the transformation to the new culture in KONE Americas remains a journey and work continues, we see clear evidence of sustainability in the culture change. Our extraordinary partnership with KONE has provided an unusual opportunity to test our theory and action research to model our evolving formulation of change leadership. Our dynamic, phased approach to parallel multilevel development appears to be working in this case, and the phases are tracking with advancing research on the effectiveness of leading change (Pasmore, 2011). And while we are simultaneously developing evaluation criteria of interdependent leadership and organizational capabilities to assess the change, our action research has continued to confirm advancement of beliefs-driven tipping points throughout the journey.

Five Principles Summary:

1. Culture change is a guided, public-learning process.

2. Executives do the change work first.

3. Develop vertical capability.

4. Leadership culture changes through advancing beliefs and practices (behaviors) simultaneously.

5. Sustainable culture change is a learn-as-you-go process embedded in the work of the organization.

Four Phases Summary:

1. Discovery Learning—determining willingness

2. Players' Readiness—developing understanding

3. Game-Board Planning—framing the change process

4. Playing the Game—building capability

Discussion

1. Most organizations today are operating in an increasingly global, complex, interdependent organization world. What are some of the implications for creating a leadership culture and organization culture prepared to succeed in today's times?

2. Five principles are offered for successfully changing leadership cultures. Discuss your understanding of each of the five principles.

3. Four overlapping and parallel phases are used in the case to change leadership cultures. Discuss your understanding of each of the four phases.

4. Discuss why KONE Americas needed a change in the leadership culture.

5. Discuss how the principles and phases were used in changing the leadership culture at KONE Americas. What were some of the major challenges and how were these challenges addressed?

6. What were some of the results of the leadership culture change made at KONE Americas?

7. Would you enjoy working at KONE? Why or why not?

Key Lessons

1. The transformation journey is not for everyone. It requires the willingness and ability to engage in public learning—practices that many conservative institutions will decline.

2. Leadership culture change must be linked to the business strategy and key goals. The leadership strategy must track with the business strategy. The logic of the new culture must serve the goals, mission, and vision of the organization's business. Discerning this link between culture and strategy is the key work of discovery.

3. The way in which discovery is conducted with the client sets the tone for all that follows. Discovery is a learning and development partnership that reveals the meaning of transformation, and insights about the risk and vulnerability required to attain it.

4. The culture change process is guided by a collaborative learning mindset. First the senior team becomes more adept at their own collaborative learning. Then the senior team is able to immerse larger numbers of leaders from all over the organization in collaboratively creating widespread direction, alignment, and commitment for change.

5. Leadership beliefs and practices are developed simultaneously. Like an infinity loop, behaviors and beliefs develop in mutually reinforcing learning patterns through action and reflection.

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About the Authors

John B. McGuire is senior fellow and transformation practice leader at the Center for Creative Leadership (CCL®), specializing in leadership for an interdependent world. He has helped organizations across such industries as healthcare, manufacturing, services, government, and nonprofit sectors. His recent publications include the book *Transforming Your Leadership Culture* published by Jossey-Bass. He has had articles published in *Harvard Business Review*, *CEO Magazine*, *The Washington Post*, *Leadership Quarterly,* and multiple book chapters, including a contribution with Charles J. Palus to Harvard Business School's *The Handbook for Teaching Leadership*.

Charles J. (Chuck) Palus, PhD, is a senior faculty member at the Center for Creative Leadership, responsible for research, innovation, and product development, specializing in leadership for an interdependent world. His book *The Leader's Edge: Six Creative Competencies for Navigating Complex Challenges* received the annual Best Book Award from The Banff Centre for Leadership Development in Calgary, Alberta, Canada. He has researched, partnered, and published widely on the topic of interdependent leadership and is a contributor to the *CCL Handbook of Leadership Development* and the *CCL Handbook of Coaching*.

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CCL - Americas

www.ccl.org
+1 800 780 1031 (US or Canada)
+1 336 545 2810 (Worldwide)
info@ccl.org

Greensboro, North Carolina
+1 336 545 2810

Colorado Springs, Colorado
+1 719 633 3891

San Diego, California
+1 858 638 8000

CCL - Europe, Middle East, Africa

www.ccl.org/emea

Brussels, Belgium
+32 (0) 2 679 09 10
ccl.emea@ccl.org

Addis Ababa, Ethiopia
+251 118 957086
LBB.Africa@ccl.org

Johannesburg, South Africa
+27 (11) 783 4963
southafrica.office@ccl.org

Moscow, Russia
+7 495 662 31 39
ccl.cis@ccl.org

CCL - Asia Pacific

www.ccl.org/apac

Singapore
+65 6854 6000
ccl.apac@ccl.org

Gurgaon, India
+91 124 676 9200
cclindia@ccl.org

Shanghai, China
+86 21 5168 8002, ext. 801
ccl.china@ccl.org

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