

WANTED: Transformational Leaders

How Great Companies Respond to Change



THE CHALLENGE

Lowell McAdam, Chairman and CEO of Verizon, said in the 2017 annual report, “what distinguishes great companies is how they respond to change.” Verizon is at the forefront of the Fourth Industrial Revolution with lots of new opportunities with the 5G network and the Internet of Things.

We are entering an age of continuous disruption and acceleration which is outpacing our ability to cope with uncertainty and change. People and organizations are at risk for being left behind. We must perform for today and lead for tomorrow. Many of us are unprepared for this change, requiring a fresh approach to leading ourselves, teams and organizations.

After thirty years of research and practice, interviewing 600 CEOs in fifty countries, writing eight best-selling leadership books, and working with many blue chip global companies, it's clear we need transformational leaders at all levels of business and life. Let's first look at the why, what and how of transformation.

THE WHY OF TRANSFORMATION

Change is accelerating faster than ever – In an age when the pace of doing business is hurtling into an uncertain future, we need leaders who have the confidence and bearing to effectively navigate forward. Speed, uncertainty, complexity, technology, competition and globalization are the key disruptors. The challenge is the world is changing faster than our ability to adapt.

Healthy change is the optimal state of affairs – Health is the optimal state of a person, group, organization, and community. The healthier you are, the stronger your ability to change. Whether you are a company facing technology disruptions, a leader grappling with a changing customer base, a team challenged by new innovations, or an associate working with diverse people, healthy change is required of all of us.

The human agenda is the differentiator – Great organizations lead with their human agendas – the purpose, values, leadership and culture. The operations agenda enables execution. The marketplace agenda ensures relevance. And the finance agenda is the scorecard for success. Ultimately, it's the human agenda that drives change and long-term value.

THE WHAT OF TRANSFORMATION

Transformational leaders drive the change – Transformational leaders guide us into the future. They master the ability to lead change in a disruptive world; lead people in a cynical world; lead teams in a networked world; lead growth in an innovative world; and lead globally in a polarizing world.

Everyone must be a leader – Leadership is personal and companies change one leader at a time. Who you are drives what you do and how you perform. The best organizations develop cultures of leaders. It's the collective power of leadership at all levels that drives engagement, innovation, profitable growth, and long-term value creation.

Development occurs inside out and outside in – Change happens at the intersection of personal and organizational transformation. Leaders who are grounded (agile and solid) and conscious (aware and adaptive) have the strongest capacity for change. Outside influences also play a role, like peer pressure, current events and organizational pressures.

THE HOW OF TRANSFORMATION

These four channels accelerate change – Transformation requires that we see clearly, think with an open mind, feel positive emotions, and act constructively. Leaders must master all four channels to sustain necessary change. By being teachers who model and champion change, we create environments that foster transformation.

Managing accelerators and hijackers maximizes performance – Accelerators energize people and drive us forward. Hijackers sabotage people and undermine their success. To create true transformation, we must leverage the accelerators and hijackers at the individual, team, and organizational levels.

Changing self, relationships, and environments – To create sustainable change, we must change on three levels. Change at only one level sub-optimizes potential and performance. By intervening at all levels, we solidify transformation, and create stickiness and sustainability.

THE FACE OF TRANSFORMATIONAL LEADERS

At Healthy Companies, we believe everyone must be a transformational leader – from CEOs to front-line supervisors. Our landmark programs are designed with the whole person in mind and develop capabilities that address the disruptors of our time. Let's examine the six transformational leadership capabilities:



GROUNDED – *Staying Rooted in an Uncertain World.* As the winds of change swirl around us we must be grounded by six roots. Our physical roots keep us agile in a fast-paced world. Our emotional roots help us stay resilient in uncertain times. Intellectual roots are the tools for learning and staying relevant in a complex world. Our social roots are the relationship skills needed for living in a connective world. Vocational roots help us balance meaningful work and competition. While our spiritual roots keep us globally minded with generosity and gratitude.

CONSCIOUS – *The Power of Awareness in Action.* In an age of acceleration, we cannot afford to be unaware. Conscious is our wake-up call – to be aware, agile and accountable. Nothing is more important than understanding ourselves, our relationships, and our surroundings. Being conscious helps us think deeper, learn faster and collaborate better. The more conscious we are, the faster we adapt, and the higher performing we become. Conscious is the new smart: Go Deep, Think Big, Get Real, and Step up. This is the personal road map through transformation.

UNLEASHING TEAMS – *The Energy in a Connective World.* People work more in teams today than ever. Our ability to build and collaborate in networks -- in person or virtually -- is the cornerstone to our collective economy. These teams are built on healthy relationships and courageous conversations. Leading by influence, not authority, is what gains people's support, alignment, and best work. Collaborative leaders build healthy teams that drive high performance organizations. The adaptive spaces where people connect is where all the action is.

ACCELERATING GROWTH – *The Catalyst for Innovation.* All organizations want to grow. The secret is to create growth leaders who know how to do it. These leaders turn flat or dead-end businesses into growth platforms. They create cool new products and tap new audiences. And they get close to their customers and co-create new opportunities with them. These leaders are sitting in undiscovered pockets inside your organization. The goal is to find them, develop their skills and create the right conditions for growth.

NAVIGATING CHANGE – *The Sonar in a Disruptive World.* Whether in business, government or the non-profit sector, all organizations are experiencing disruptions in their business model. How do you thrive in volatility? How do you stay relevant and differentiating to your customers? What new products and services should you offer? Who are your future competitors? How should you restructure your organization? Managing with their right level of anxiety – not too little and not too much -- is essential to success. Leading change will prepare you for the disruptive world ahead.

LEVERAGING CULTURE – *The Antidote for Global Competitiveness.* Culture is the glue that holds organizations together. Work environments can liberate people or sabotage a business. Culture also means understanding the world. Money, markets, talent, and knowledge move at high speed around the globe. Leaders must live with local and global mindsets simultaneously. They must see global challenges and opportunities. They must think with an international mindset? They must act with multicultural sensitivity. Leveraging culture is essential for operating in your world or around the world.

Leaders who master these six transformational leadership capabilities will be well positioned for the disruptive and accelerating world ahead. Successful organizations will be the beneficiaries -- agile and resilient people; healthy and engaged relationships; collaborative and high-performance teams; confident change savvy cultures; and profitable and sustainable growth.

About Healthy Companies

Healthy Companies International was founded in 1988 by CEO adviser, organizational psychologist, and best selling author Bob Rosen. Its mission is to transform the world's organizations, one leader at a time. Thanks in part to a multiyear grant from the MacArthur Foundation, Bob and his colleagues began to research the characteristics of successful executives and their companies. Since then, the firm has conducted hundreds of in-depth interviews with CEOs in forty-five countries. Healthy Companies works with a wide range of Global 2000 corporations, government and nongovernmental organizations, and selected associations. Clients include New York Life, PricewaterhouseCoopers, Ralph Lauren, and MedStar Health.