



**Management Communication Systems, Inc.**  
4000 Bridgeway, Suite 404  
Sausalito, CA 94965  
(415) 339-2990 FAX (415) 339-2999

## ***Transformational Leadership***

*Charles Sheppard, Management Communication Systems, Inc.  
Kelly Gerling; The Leadership Project*

*With a new world of business emerging, being a leader is not just about profitability, competitiveness, strategic planning, team building, re-engineering, management, or even “total quality.” It’s all of that, and it’s much more. If you are looking for ways to create leaders and teams of leaders throughout your organization, then we may have something for you. Choose to work with us and you will embark on an exciting journey. Transformational Leadership is a process, not a program, that helps leaders transform their organizations by using their own deeply held values as a guide.*

Values derive from deep, inner feelings of what is important. Discover what your values are. What values are most important to you? What values are universal and shared by nearly everyone? What values are unique to you, based on your personal history? What is the special mission that springs from your values? How can you bring forth your values as a leader? How can you fully access your values whenever you choose? How can you develop your values in others? How can you as a leader assist others in fully accessing their values? How can you lead others to lead themselves?

The answers to these questions emerge from what we call *The Leadership Process*. This process helps you access your values and put them into action. Through a series of assessments, structured discovery exercises, and team-building activities, you will actually begin to learn our leadership process and more. The result? Together we’ll create an environment of accelerated learning. As you continually access and use your values, your business relationships will reflect this, and your organization will express them more fully as well.

You and your colleagues will focus on how to access and develop your vital leadership capabilities. You’ll explore the five primary inner capabilities. You’ll also develop and practice certain outer capabilities—those most needed by your particular group.

Additionally, you’ll explore two questions:

*“What is my desired future, both for myself and the organization?”*

*“What kinds of relationships are necessary to create that future?”*

While the community spirit of your group grows, each person can shape the vision of the organization and the relationships needed to help make that vision come true. Once that happens, then you are on the path to mastering the kind of leadership needed to create a special kind of organization - one based on the deepest values of its staff and the customers they serve.

*Being a leader is about understanding the inner world of people. What's important to them. What motivates them. How they feel. That means leadership is about values.*

**The Traditional 20th CENTURY leader:**  
Compulsive financial orientation: Traditional leaders focus primarily on financial objectives. In turn, the whole organization works compulsively to meet these financial objectives, which are seen as ends in themselves.

Management orientation: Traditional leaders manage others through rules, rewards, and punishments. Traditional leaders seldom establish a commitment throughout the organization to be responsible for the entire company.

Top-down decisions—Traditional leaders rely heavily on their own individual capabilities to make decisions. Others then carry out those decisions, often with a sense of resignation. When traditional 20th century leaders do not agree with the policies and assumptions of the larger organization, they usually just conform. However, over time they lose their spirit and commitment to the organization.

### **THE TRADITIONAL 20th CENTURY ORGANIZATION**

Purpose in practice: Viewing financial performance as an end in itself leads to the following patterns:

1. Lack of community spirit—This is an attitude characterized by distrust, apathy, a lack of hope, little mutual respect and a feeling of not belonging. Self-serving groups and individuals fragment the organization and often blame senior management for its inability to create widespread community spirit.
2. Closed communication—A "chain of command" method of communicating predominates. This often creates fear, which results in various versions of victim behavior including avoidance, finger - pointing, behind-the-back criticism, conspiracies, and gossip. Decision makers then lack the vital feedback required to better serve customers.
3. Value conflict—Values are preached

but rarely consistently practiced. An ineffective process of creating values alignment results in no shared vision, high turnover, and widespread conflict. People stop contributing 100% and increase their excuses for non-performance.

4. Rigid organizational structure—This results in followers everywhere, low productivity, and impersonal relationships between layers. In addition, we often find a weak commitment at lower levels to decisions that are being made at higher levels. Decision - making processes exclude most stakeholders.

Performance result: These four patterns combine to give traditional organizations a low group intelligence that makes them rigid, unresponsive, and slow to change.

### **The 21st - Century Leader**

Values orientation—These leaders focus primarily on the values of people. These values create the goals of the organization and the motivation everyone to achieve them. Financial objectives are an essential means of bringing deep values into action through the mission of the organization.

Empowerment orientation: A values-based leader leads others to lead themselves. They take responsibility for themselves and the organization and are deeply committed to spreading this attitude everywhere.

Group decisions: A values-based leader encourages group intelligence so that the group or sub-group, which is made up of leaders, can make its own decisions. Group decisions fulfill the values of the people and the organizational mission and vision that brings these values into action. Values-based leaders are a prerequisite to creating a 21st - century organization. Values-based leaders transform traditional 20th - century organizations because rather than surrendering their values, they take responsibility for aligning with or reconstituting the values of the organization.

*It's about getting the organization to take responsibility for creating its own future.*

## THE 21st - CENTURY ORGANIZATION

Purpose in practice: It's about fulfilling the values of the people who make up the organization. This includes all stakeholders—employees, stockholders, customers, suppliers, and the local community. Financial performance becomes a vital, necessary means to fulfilling the values of people as ends in themselves. The following four patterns of the Values-based organization are the primary ways to put this purpose into actual practice:

1. Community spirit—This is an attitude characterized by deep trust, active participation, high hope, mutual respect, and a feeling of belonging. This creates a depth in relationships that motivates people to take responsibility for one another's success and the success of the whole organization.
2. Open and honest communication—This pattern results in open dialogue and the flow of vital feedback to decision makers. It facilitates group intelligence which speeds up decision making in stressful, tough situations.
3. Values alignment—The stated values are consistently practiced. An effective process for negotiating and resolving value conflicts results in shared vision, greater loyalty, and widespread cooperation. Everyone contributes 100% to co-creating a compelling, shared future.
4. Self-organization—This is characterized by leaders throughout the organization, greater productivity, and effective working relationships in and between groups. That's because individuals take responsibility for the entire organization's success. Decision-making processes often involve input from many stakeholder groups.

Performance result: These four patterns give Values-based organizations a high group intelligence, which makes them flexible, responsive, and fast to change.

The next eight pages describe these patterns in more detail.

Community spirit is a group attitude characterized by deep trust, active participation, high hope, mutual respect, a feeling of belonging, and lots of fun. These qualities create intensely positive relationships. At its essence, every organization is the product of how its members think, interact, and the community spirit that they generate.

In the absence of community spirit, people simply look for stability in their tasks, want to do only what they are good at, and resist change. In traditional organizations individuals resign themselves to the status quo and typically find fault with the decisions imposed on them.

In the presence of community spirit,, people invite changes in the task aspects of their job. Community spirit enables people to envision new futures, to risk failure, to increase productivity, to quickly get over hard feelings, and to handle the mistakes associated with innovation.

When we walk into an organization with this kind of spirit, there is something amazingly attractive and energetic about it. There is a hustle and bustle, and an enthusiasm for learning, working and being together. It shows up in the depth of relationships between and among individuals. Everyone seems to know there is great work to be done. People are motivated to provide extraordinary service to customers, to suppliers, and to coworkers. More than religions and governments can accomplish by themselves, business organizations can provide the forum for its people to use all of their skills, integrating mind, body, and spirit. Rather than saying your mind belongs at work and your spirit belongs at church and your body belongs to sport, we enable organizations to create environments where every aspect of a person is used and valued.

***It's turning differences and diversity into innovation, creativity, and a common vision.***

Holding regular group activities rekindles and intensifies the spirit of the group. They provide an environment in which business organizations can be most effective. This community spirit is a fundamental pre-requisite for high group intelligence and organizational learning. Community spirit is created by being on a team of leaders.

Talking straight is a way to create open and honest communication. It results in the flow of vital feedback to organizational decision makers. People throughout the organization engage in open and honest dialogues with whomever they need to for solving problems and settling disagreements. That way, any time there is a problem or complaint, rather than gossiping or "simmering," each person does something productive about it. Those who can help get involved solving problems and creating the future as resentments fade away. The alternatives to open and honest communication are not pretty. In those traditional organizations where closed communication predominates, here is what happens: confusion, blaming, withdrawing, avoiding, manipulation, conspiracies against others, behind-the-back gossip, rudeness, power plays, political maneuvering, indifference and other victim-like behavior.

When you do not have open and honest communication you have "we/they" splits that fragment an organization. We segment divisions, groups, and departments with this type of thinking and the common outcome is that trust breaks down. "They" become a convenient group to blame. Organizations often create a "blame game" and make it an integral part of their culture.

In contrast, an organization that effectively demonstrates open and honest communication teaches something wonderful to new people who come on board. Real issues are dealt with and straight talk is practiced as the norm. A month or two in

an organization with this pattern of relationship is often enough for a new associate to learn the value of openness and honesty in relationships.

Open and honest communication also works to create a culture of accountability. People become more empowered when they discover the impact of their communications. Employees learn how to play at the 100% participation level as they seek to create alignment throughout the organization.

Over time, open and honest communication creates a depth in relationships where people can freely get to the real issues while respecting the values of one another. And when values are respected among employees and associates, respecting and providing for what customers value is a natural outgrowth.

As an organization you must find and confront your values, communicate these broadly, and then see that they are consistently practiced. Developing effective processes for negotiating and resolving values conflicts and then disseminating them throughout the organization pays off in shared vision, greater loyalty, and widespread cooperation.

In traditional organizations a lack of values alignment is typically observed, and we see people merely tolerating their jobs, lacking enthusiasm, and having no active commitment to the success of the team. Traditional organizations use compliance instead of creating alignment in order to motivate employees. Of course traditional management is rooted in the theories of Alfred Sloan and Frederick Taylor. Traditional management was effective back at the end of World War II, when the United States with 6% of the population, produced 50% of the world's gross national product. Life was predictable, comfortable and safe. Almost every male had been in the military service. That gave an

***It's  
about  
talking straight  
and creating a  
corporate  
culture where  
others  
do too.***

intense indoctrination to command-and-control types of leadership, the style used to lead armies since the days of the Roman Empire.

Today, this kind of leadership is running into problems; as evidenced by the massive losses in corporate earnings, turmoil in the marketplace, and the explosion of information. Our economy is in the midst of extremely rapid change. The President of Sacramento State University, Donald Girth, predicts that by 2005 knowledge will be doubling every year.

How can the values of the individual, the team, and the division be in alignment with the values, mission and vision of the whole organization? Through the disciplined application of a specific, learnable step-by-step process.

When this process is used effectively, everyone in the organization learns to recognize when the feedback from others indicates some violation of a deep value. This awareness starts the process. Even when people have different values, these differences can be respected and values conflicts resolved through our leadership process. People discover how to align themselves with this organization, change the organization or find a new organization. What is not tolerated is playing a "wait and see" attitude. What you strive for is a team of people who are willing to play at a 100% level.

When the values-alignment pattern is applied, what it generates is this: genuine enthusiasm and strong commitment that ripples throughout the organization. This pattern of values alignment is a necessary pre-requisite for our next topic, self-organization, and all of the benefits it brings.

Success can tie you to the past. The organization that produces today's success is often the structure that will create tomorrow's failure.

Like many living systems such as a flock of birds, cells, eco-systems, indeed, our own bodies, business organizations can cross a threshold . . . somewhere between the rigid, mechanical structures of a traditional hierarchy and the chaos of no structure is a realm of special complexity: self-organization.

Innovation, service and quality emerge from the group's intelligence. This intelligence is greater than what any one individual is capable of. This group response is self-organization. Observing how people respond to disasters like earthquakes and floods, has revealed that nearly any group is capable of self-organization. During these disasters, almost everyone immediately behaves with full responsibility for the success of the whole. Community spirit, open and honest communication and values alignment combine to make self-organization possible, without some awful disaster as the motivator. That's because individuals take 100% responsibility for the entire organization's success.

Like the complex musical structures that emerge from an improvisational jazz or rhythm band, formal organizational structures emerge from self-organization. And since no single structure works for all situations, these "emergent" structures vary from company to company. Traditional hierarchies, self-managing teams, open accounting, matrix management and its other components of organizational structure each can have a proper time and place.

What is needed is a corporate culture that allows the natural emergence of its own clear and effective structure. Self-organizing groups are self-correcting, high-performing, forward looking, and capable of rapid, responsive, and adaptive change. Leaders show up everywhere because you have a team of leaders.

***It's an attitude, a depth in relationships, that is created and maintained by the culture of the organization.***

Great leadership always shows up in the actions great leaders take—outer, visible skills. And that creates a problem.

Management and leadership training programs traditionally emphasize giving people information about these outer skills. Skills in relationships, coaching, negotiations, presentations, decision-making, organizational learning and more, can be described easily in terms of content and sequence. The difficulty with direct behavioral training in outer leadership skills is this: behavioral training does not guarantee using the skills naturally or with wisdom. Because of this, executives have rightfully judged that many approaches to leadership training and development are poor investments. To address this issue, we have listened to our clients and used their feedback to develop a process that works.

The Mastering Transformational Leadership process is more development than training. It emphasizes bringing out your capabilities more than putting in information. In our approach, leadership capabilities consist of both outer and inner capabilities.

Regarding outer capabilities, we emphasize five skill sets: relationships, coaching, negotiation, presentation and organizational learning. To enable you and your organization to develop these outer skills and use them wisely, we first help you access and develop your inner capabilities.

What are the inner capabilities that bring about leadership? When we look underneath effective outer leadership skills, we find five major inner capabilities. They are integrity, logical thinking, objectivity, vision and empathy. By starting with these inner capabilities, learning becomes natural and fun and team members learn to wield these powerful skills with wisdom. When accessed, developed, and used together, these five inner capabilities help intuitive

leadership wisdom surface in any role for any situation.

Is our process a quick-fix approach? Yes and no. Mastering Transformational Leadership requires commitment and sustained, disciplined learning. It requires consistent practice in accessing your deeply held values and using inner and outer leadership capabilities. And yet with our technology of accelerated learning, you'll enjoy immediate results that you can use the very next day.

Great teams must always occur where there is a team of leaders. A good team structure is one in which the elements "hang together" because they continually affect each other over time and operate toward a common purpose.

Some people think the structure of an organization is in the organizational chart. Others think "structure" means the design of organizational work flow and processes. But in systems thinking the "structure" is the pattern of interrelationships among key components of the system. That might include the hierarchy and process flows, but it also includes attitude and perceptions, the quality of products, the ways in which decisions are made, and hundreds of other factors.

Structures in systems are not necessarily built consciously, they are built out of the choices people make, consciously or unconsciously, over time.

Most people prefer to intervene in a system where the elements are more visible and requires less skill to work with them. But as you move toward the more intangible elements, such as people's deep-seated attitudes and beliefs, your leverage for effective change increases. The Team Leadership approach directly affects the patterns of team structure that are unseen but nonetheless real enough to influence behavior and performance. These patterns are what make up the culture of an

**Being a leader is  
creating an  
organization  
that thrives on  
change.  
One that's lean,  
responsive and  
competitive.  
And fun.  
Don't forget  
fun.**

organization. Most cultures develop by accident and yet dynamic effective teams start to define a corporate culture through their choices. The Team Leadership process points out the specific leverage points that help any organization create great teams. These great teams then begin to define the culture they want to have by choice instead of circumstance. The result is ending up with a culture that develops leaders.

Developing a Team Leadership approach that encourages learning is the primary task of leadership, and perhaps the only way that a leader can genuinely influence or inspire others. The rate at which a team learns to lead together may be the only thing that will give them a sustainable competitive advantage in the future.

Mastering transformational leadership is not a program but an ongoing process that you use to transform your organization's leadership potential. How do you initiate this exciting journey of leadership development for you and your organization? Mastering Transformational Leadership begins with an initial modeling process.

We meet with the key members of your management group to gather and analyze information. Our process involves analysis that will give us the core competencies of top leaders and the thinking patterns, values and beliefs of those leaders. We will discover the core observable behavioral traits, how to measure them and the specific intervention that can be developed to enhance them. Out of this process you will receive a custom 360 degree leadership review process for ongoing measurement of the leadership transformation.

Based on the information we gathered, we then prepare and deliver a transformational leadership organizational analysis.

The second step consists of a customized intervention designed to create a personal transformation for the partici-

pant. It will assist the participant in discovering their next step in developing their own TRANSFORMATIONAL LEADERSHIP development. Our consultants will guide this leader through learning experiences that will acknowledge and affirm what they already do well, and then bring out much more. . We look for creating a breakthrough in their thinking that will allow the skill sets of the MASTERING TRANSFORMATIONAL LEADERSHIP seminar to flourish.

The Mastering Transformational Leadership process brings out and explores deep, unexamined values and helps leaders access and develop their vital leadership capabilities.

Each leader will leave with their own personal development plan to bring into the workshop when the specific purpose is to bring that leader to the next level of his or her capabilities.

Building on the foundation of the previous coaching session we assist you to further develop inner and outer capabilities that will enhance your leadership.

Often a crisis is needed for a sense of leadership to show up. Through our process, without help from a crisis, you will develop a deep understanding of leadership. This workshop will work on the external behaviors of leadership, the thinking skills that support those behaviors and the deep structure personal transformation that allow for the personal leadership breakthroughs to occur. Each leader will leave with the skills to support their own leadership and specific skills on how to create an organization of leaders.

Using what you've learned, you will create an ongoing, multi-year plan for transforming your team and merge its plan with plans from other teams. This process clarifies the organization's vision for the future and the structure needed to bring it to fruition.

We come into your organization on an as-needed basis to help complete your multi-year plan for organizational leadership transformation - fine tuning the skills of the leaders, helping align values, doing one-on-one coaching and consulting and training according to your needs.

While we work with you at your location, the result that you can expect is this: mastery of a process that allows you to continue your own leadership transformation. This leadership transformation will demonstrate itself in the transformation in your organization.

Like a snowball gathering momentum as it rolls down a hill, when your organizations start to become an organization of leaders you will have started to transform the culture. Your executive team will be leading the way for the whole organization to lead themselves.

Select a Leadership Project that will dramatically stretch your own leadership skills and that has the potential to create a profound impact throughout the organization. This project may be accomplished in teams or individually and can be used to support your own leadership breakthroughs. Throughout the year you and your leadership partners will meet on going to support and advise you on your personal Leadership Project. You continue the ongoing process of transformation, while you and your organization lead your industry into the 21st century!

During the last 15 years, we have developed the specific learning methods we use in Mastering Transformational Leadership. We apply these learning methods in our programs such as CPD's TeamWorkAbility, CPD's Principled Negotiations and CPD's New Team Advantage. We use neuro linguistic programming and transformational technologies to assist you in accessing and developing your leadership capabilities. Below are the specific methods that we include in our process.

The Learning community—You will become a learning community - a kind of village for enhancing leadership in an enjoyable way. While the community spirit develops, your learning accelerates.

PRESENTATIONS—Consultants will offer key ideas in the form of presentations that integrate knowledge from many different fields in a way that enhances participants' leadership capabilities.

Demonstrations—Program leaders and guest experts will demonstrate, on the spot, powerful leadership capabilities, and how to apply them to common situations.

STRUCTURED Exercises—Through structured exercises you'll access and develop the leadership capabilities demonstrated and transfer them into your day-to-day work situations.

Discovering What is—Like a scientist we explore and distinguish what is working in an organization and what is not. You will discover exactly what the consequences are of your behavior. You will also learn the themes for your specific development.

DIALOGUES—Participants engage in open and honest dialogues. During this process, participants contribute insights for applying what we are learning. Often dialogues involve how to improve products, services, vendor relationships, corporate culture, and market share.

One-on-one coaching—Our consultants work with team leaders individually to make breakthroughs in accessing and developing their leadership capabilities.

Organizational and Personal analysis—Our consulting assessments result in detailed reports that paint a concise picture of you and your organization - it maps out the next steps for your own personal development.

## YOU WILL LEARN TO:

- Develop team leaders with more open, honest communication among management, employees, and customers
- Bring the organization's values to life throughout the company
- Implement revolutionary changes in your corporate culture
- Enhance the quality of your products, services and working relationships
- Bring about compelling new levels of responsiveness to customers
- Enhance the quality of working relationships required for implementing your vision for the future
- Improve trust and respect levels throughout the organization
- Align your personal values, your work values, and the values of the whole organization
- Mediate conflicts among subordinates to increase productivity
- Apply your inner capabilities in the Values-based leadership model including: integrity, logical-analytical thinking, objectivity, vision and empathy to various situations
- "Read" people more effectively and better understand each person you encounter
- Create a compelling shared future for yourself and others
- Generate teams of leaders
- Enjoy deeper relationships with each person in your organization.