

# GETTING SMART ABOUT SYSTEM CHANGE

## DEVELOPING WHOLE SYSTEM IQ™

by Sherene Zolno

Business, government and non-profit leaders are saying that, more than ever before, they need to have exceptional skills and creative new approaches to respond to the complex, systemic challenges facing their organizations. However, structuring a change process to effect whole system change is a new knowledge area for most of these leaders, and for those that consult to them. Identifying this as *Whole System Intelligence* (WSIQ™), the author presents a model for how to assess and gather data about the whole system, a model that then becomes a tool for ensuring that change intervention is *systemic*. In addition, the author suggests that certain components should be included in the change process to ensure that a critical mass for change is achieved – that the change process is *systematic* as well.

Changes in markets, customers, competition and technology around the globe are forcing leaders and their organizations to develop new strategies and learn new ways of operating. Most importantly, being a leader today involves knowing how to lead complex, large-scale, system-wide, sustainable change.

Change that requires new knowledge and skills — whole system *intelligence*.

New and enhanced leadership capability in whole system change is required when deeply held beliefs are challenged, when the values that made an organization successful become less relevant, and when legitimate yet competing perspectives emerge. Many efforts to transform organizations through mergers and acquisitions, restructuring, improving processes or strategy work falter because

leaders fail to grasp what it really takes to shift and sustain change throughout their organizations.

### **Whole-System Intelligence: Core Distinctions.**

In dealing with new or growing pressure to change, organizations sometimes must integrate demands from a wide range of stakeholders and make changes in their core processes, strategies and methods of doing business. A *whole-system meeting* (often called a “conference” or “summit”) is sometimes used when high levels of participation and cooperation are required to accomplish the needed changes. Usually all stakeholders, or a significant number of their representatives, attend the meeting and participate in max-mix discussion groups that by-pass normal organization boundaries.

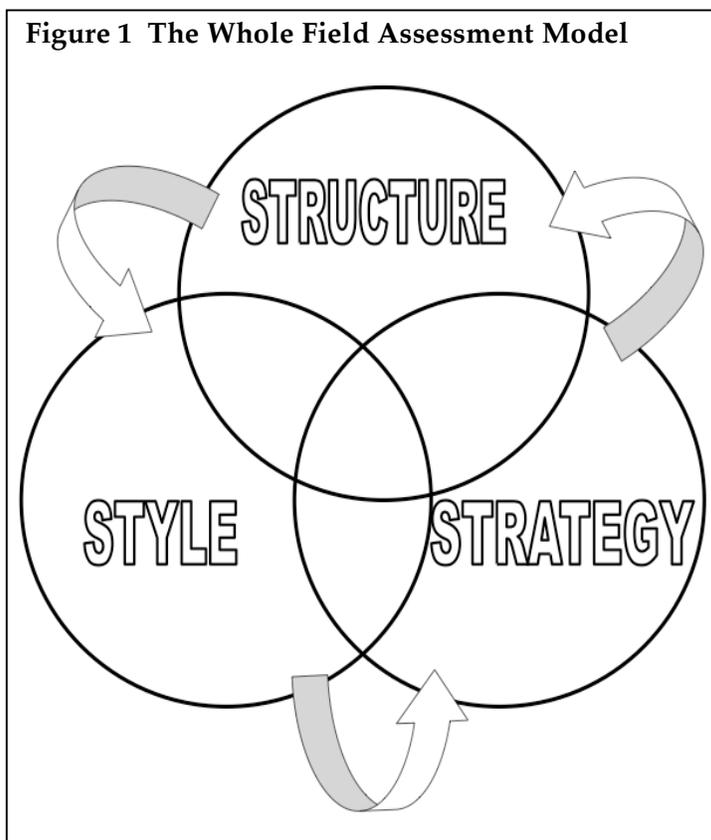
A whole-system meeting may be used to launch a change process, marking the end of old and the beginning of new approaches in organizational functioning. Because it affords opportunities for relationship building across functions and levels in an organization, as well as with customers, vendors and community stakeholder groups, enhanced cooperation is an expected outcome of most of these gatherings.

A *whole-system change process*, on the other hand, is the integrated, system-wide, usually long-term, large-scale intervention that is designed to address the challenge of changing a complex organization, and ensuring that the change is sustained. As consultants and researchers, most of us are familiar with the change initiative that doesn't last – kicked off with a fanfare and an event (usually a whole system meeting), followed by a short period of organizational focus, then forgotten as the business crises of the day draw away the leaders' attention.

Unlike that now familiar one-time event model, a well-designed whole-system change process guides an organization as it considers and makes changes in multiple aspects of its system concurrently

in order to achieve a critical mass of energy towards change, and thus the potential for truly sustainable change. While many organizations have held whole-system meetings, and while those gatherings have reportedly had a positive affect on business processes and results, few consultants seem prepared to support a leader and an organization through major change, start to finish, addressing the organization's different components in a coordinated fashion. This is what we call *Whole System IQ™*: the ability to guide whole-system change – systematically. To gain the ability to do this, some models for how to guide and sustain large-scale change, *Field Assessment™* and *Whole Field Change™*, are presented below.

### Whole Field Assessment™



Assessing themselves as an organization and coming to understand their system fully provides the platform needed for launching a whole-system change process. This may be accomplished using *Whole Field Assessment™* (see Figure 1), a comprehensive model designed to expand thinking about how organizations can be systemically viewed (system-as-a-whole), and systematically improved or changed (planned, coordinated change to affect the system-as-

a-whole).

Whole Field Assessment illustrates the interconnectedness of elements that define the organization. Using the model, and thinking of each of the three frames as a window through which to gaze into the organization's life, a leader and his or her team can analyze the organization as a system with interrelating parts. The three frames that comprise the whole field are:

### **The STYLE Frame**

The Style Frame is focused on assessing an organization based on the cohesiveness of its culture and the strength of its shared values.

### **The STRATEGIES Frame**

The Strategies Frame focuses ones view on the organization's vision, mission (or purpose) and its intentions.

### **The STRUCTURE Frame**

The Structure Frame concerns one with viewing and understanding the organization by assessing how it aligns its goals, formal roles, systems and technology, i.e., the organization's methods for deploying its human and other resources in achieving its purpose and intention.

To be effective, an organization must have a high degree of fit, or internal alignment among these three Frames. What goes on in each frame must be consistent with and reinforce what is going on in the others. Thus, to improve an organization, one would have to pay attention to all of the frames at the same time, giving you a truly systemic way of seeing the parts and how they are adding up to the whole.

To change a system, the intervention must be designed to impact all three frames concurrently, or tightly and appropriately sequenced.

Theoretically, all three frames are interrelated – there is no starting point or implied hierarchy – so a change in one would have a ripple effect on all others. It would be impossible, therefore, to make a change in one area of organizational life (by changing the organization's strategy, for example) without having an affect on all other areas. Creating an entirely new organization is, therefore, not just a matter of devising a new strategy, restructuring various internal systems, or of changing management style, but of doing all three at the same time in a coordinated manner.

### **Whole Field Change™**

Implementing a sustainable, large-scale change process may require commitment of from one to three years and include analysis and learning, meetings, seminars, coaching, process alignment training and conversations, and whole-system conferences, both internally and externally focused. Leaders will need to bring the entire organization together in different group sizes and configurations, to identify the system's limitations and reframe them, to figure out how to access new levels of productivity, to begin creating provocative ideas about their future, and to generate new strategies for positively impacting the environment.

The components of a Whole Field Change™ process, generally speaking, must be co-created, organized and delivered within the timeframe in a coordinated, systematic

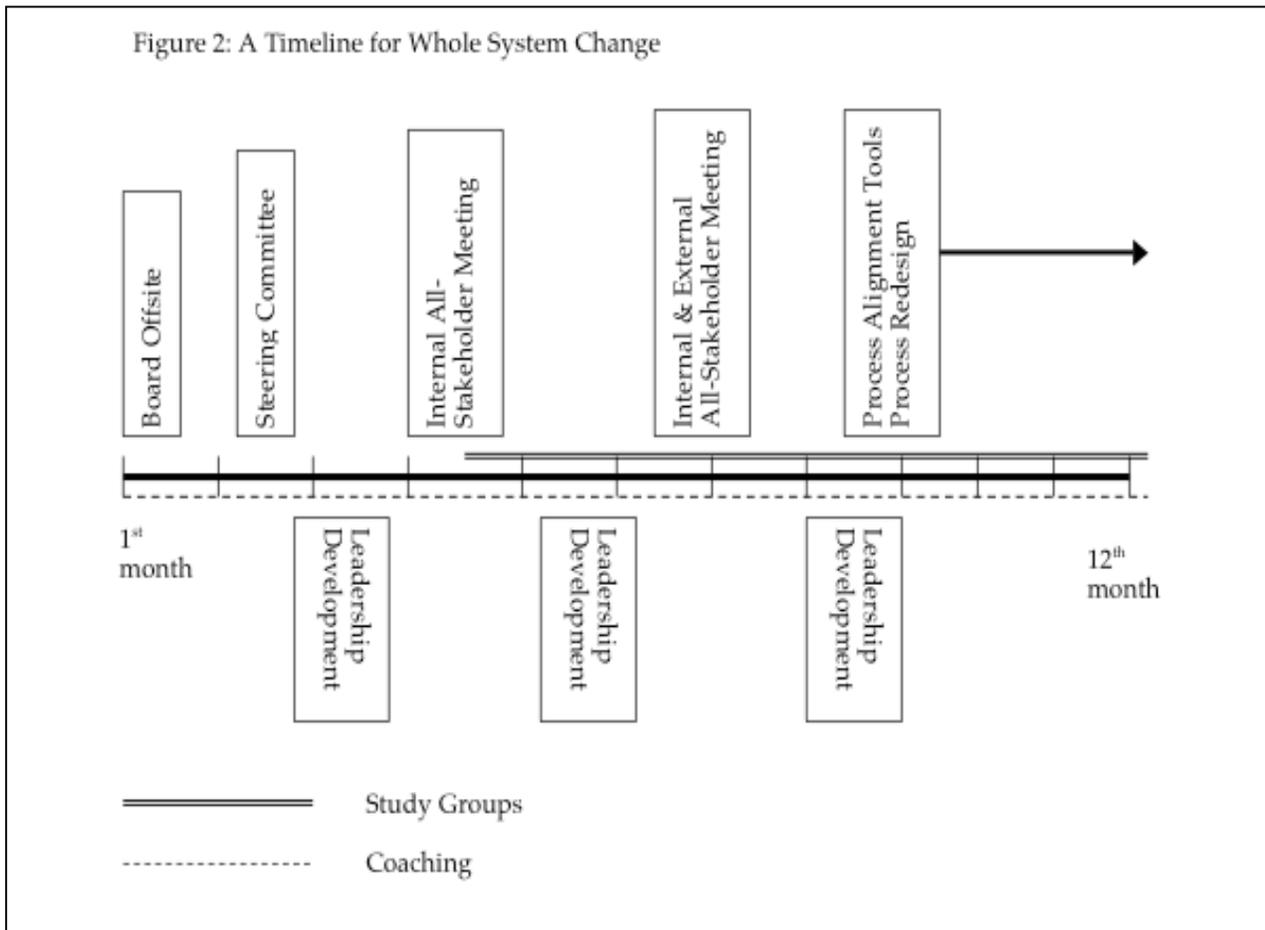
process. Figure 2 suggests how these might be sequenced. (See Figure 2)

Some of the structures for change that should be considered for inclusion in a Whole Field Change™ process are described below. Meetings with different groups are indicated above the 12 month timeline; coordinated leadership development programs are indicated below the timeline.

- 1) Off-site meetings for members of the Board to align their support for the change process.
- 2) Having representatives of the Board, as

liaisons but also as stakeholders, participate in leadership development and in other components of the process.

- 3) Chartering a group composed of representatives of all organizational levels and key departments to guide the transformational change process. Sometimes referred to as a steering committee, its members are asked to focus on the entire system, rather than on the pieces they faced operationally day-to-day. To do this they should be given the leadership tools for understanding, supporting and sustaining change. This would occur in the leadership development programs.



4) Stakeholder Gatherings, both internal and external, to launch the change process, enhance cooperation, and build relationships across functions and levels, and with community stakeholder groups. Since leaders must give employees a strong sense of the history of the enterprise and what's good about its past, while driving towards an as yet obscure future, these gatherings assist the leader in solidifying change commitments. In preparation for these gatherings, the leader's job is to frame the key questions and issues.

5) Process Alignment, the translation of new vision and intention into concrete mechanisms, such as policies, procedures, and work processes that form the organizations infrastructure. How people are participating in the organization, how they are being acknowledged and rewarded, how partnerships are established and supported, and how results were achieved — all are demonstrations of alignment, or misalignment, with a newly stated strategic intention, and thus an appropriate subject of a process alignment team's scrutiny.

6) Providing ongoing coaching and learning via study groups deepens participants' understanding of and ability to apply the tools and concepts presented, add velocity

to the accomplishment of specific objectives, develop personal leadership, especially in "blind spots," and address specific issues within the leadership team. Study Groups become the vehicles for discussion and deeper inquiry into the concerns and questions raised during the change process. Each person's Study Group becomes the center for practice and application of new ideas, and a resource for building resilience during the change.

### **The Leader's New Intelligence.**

It takes understanding themselves as a system and building the capacity to think systemically and act systematically, for an organization to be ready to be a powerful player in the global business of delivering quality products and services. A leader with a high whole system change IQ makes this possible, for this leader has learned how to structure the process of change to include *concurrent* lines of inquiry and process redesign. This leader can assure that the organization takes its place at the table of those who've achieved success at transforming themselves.

As consultants and coaches to these leaders, we need to build our own change design capabilities. When we do, the stories of whole system change that have succeeded will far outstrip the stories of those that have failed.

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