



Leading through transformation

Making organizational change stick: 9 ways to build transformative leaders

Combating crime in the UK, fighting terrorism in the US and keeping airline passengers happy. What might these seemingly disparate issues have in common? In all these contexts a rapidly changing environment disrupted operating norms. Each organization reacted to these changes by relying not just on senior leaders to transform, but by developing and empowering leaders at all levels– top, middle and frontline – through transformative leadership to truly change their organizations and accomplish their goals.

In the UK, former British Prime Minister Tony Blair, chaired weekly meetings to intervene directly in the work of police by setting clear goals and empowering frontline police units. Robbery and street crime subsequently fell through this frontline empowerment.¹ In the US, Special Operations units realized they needed to lead from the middle and develop networks instead of implementing a top-down hierarchical structure to combat terrorist networks.² At Southwest Airlines, front-line employees took the lead in devising new ways to reduce turnaround times and develop electronic ticketing.³ In each context the problems required an intervention at different levels of leadership. **These examples, in addition to many others, illustrate that all levels of an organization need to be empowered as leaders to truly transform an organization.** We pose the

¹ <https://www.worldgovernmentsummit.org/api/publications/document/53667dc4-e97c-6578-b2f8-ff0000a7ddb6>

² <https://hbr.org/2015/05/why-special-ops-stopped-relying-so-much-on-top-down-leadership>

³ <https://hbr.org/2010/04/its-not-all-about-me-its-all-a>

question: **how can government organizations harness the energy and capacity from the top, middle and frontline in a way that leads to real, sustainable organizational transformation?**

Why should government organizations change?

The business environment is changing at a pace and intensity not seen before, creating new demands on organizations and leaders. Competition in private industry encourages companies to constantly adapt to survive. Without competition, government organizations don't have the same "burning platform" for change. However, insulation from competitive pressures does not mean government should not consider change. In addition to many of the challenges private companies face, government organizations are also subject to escalating budget constraints, volatile political pressures, escalating citizen expectations for electronic services, and a shifting workforce that requires new strategies to recruit and retain staff, all of which make adaption critical.

Historically, changes or restructuring would occur at a point in time, or only intermittently, and an organization would then return to equilibrium. This model of equilibrium as a desired state, periodically punctuated by periods of change is no longer the norm. We have now entered an environment of continuous, rapid change, driven by external factors such as disruptive technologies, automation, artificial intelligence, robotics, and major workforce demographic shifts.

No matter what the instigator for transformation is, organizations should no longer expect an equilibrium but should instead create a culture of continuous transformation and change.

What is transformative leadership?

To create this culture, leaders must rethink "leadership at the top" as the solution and evolve beyond the predominant focus on executive leaders as singular agents of influence. Today, title and authority are not the only determinants of leadership, as organizational problems reach across boundaries, requiring a more distributed form of influence.⁵ Command and control theories do not take into consideration the matrixed structures or flatter organizational models of the present day, where information and relationships operate through more networked models.

70% of all transformations fail and \$400B of investment is wasted in failed transformations⁴

As an alternative we propose three capabilities leaders should consider developing to create real and sustaining organizational transformation: **leading self, leading others, and leading organizations and systems**. Exhibiting these capabilities can lead to what we call transformative leadership, which could result in sustained organizational transformation. The following diagram outlines the model of transformative leadership.

Transformative leadership occurs when all levels of the organization (front-level staff, mid-level leaders and senior level executives) exhibit these three capabilities: leading self, leading others, and leading organizations and systems. The combinations of these capabilities can lead to improvements in teams, culture, and systems, which can collectively transform the organization.

One of the challenges of leadership theory is that there are so many viewpoints on the precise competencies that any one leader must have. Usually these viewpoints are complementary, though sometimes they're divergent. The conceptual model that we outline is not intended to define the precise competencies that would be important to leaders in a given organization. Instead, the model is designed to provoke thought as to whether leadership competencies truly cascade to all levels of leaders across the



⁴ <https://hbr.org/sponsored/2015/03/driving-digital-transformation-new-skills-for-leaders-new-role-for-the-cio>

⁵ <https://www2.deloitte.com/insights/us/en/topics/talent/the-new-government-leader-mobilizing-agile-public-leadership-in-disruptive-times.html>

organization and if the culture is sufficiently activating, empowering and sustaining these leaders across the three capabilities. The following describes each component of the model and how to develop these three capabilities across each level of the organization.

How do these transformative leadership capabilities “show up” at each level of an organization and how can they be built?

Leading self: What is it?

Learning to lead self is an essential step before going out to lead others. Engaging in the processes of self-reflection and personal growth is fundamental to becoming a transformative leader. This may mean different things at different stages of leadership, largely due to the levels of scope, complexity, and impact that comes as leaders move up the ladder:

Leading self: Applied across the organization

Front-level staff	Mid-level leaders	Senior-level executives
<p>...are often exploring their own values and whether those values are congruent with the organization.</p> <p>This is an opportunity to understand their own strengths, develop emotional intelligence, and reflect on how their own actions motivate, inspire, or devalue others.</p>	<p>...are integrating personal values with those of the organization and the people they lead.</p> <p>This is an opportunity to start to develop their strengths and learn how to mitigate their weaknesses.</p>	<p>...are leveraging strengths and modeling the core values of the organization.</p> <p>This is an opportunity for leaders to develop teams and work that play to their strengths, mitigate their weaknesses, and model self-awareness for other leaders.</p>

How to foster ‘Leading Self’ capabilities:

1. Establish a culture of learning

Support leader self-reflection, learning and real-time feedback

Leading practices demonstrate that annual or semi-annual performance reviews focus employees on ratings and end of year monetary rewards instead of learning. Creating a learning culture, even in the context of mistakes or failures, supports leader growth and innovation. Simple actions like “huddles” where supervisors convene to review and discuss individuals and provide developmental feedback shift the focus from “evaluation” to “development.”

2. Know and leverage leader strengths

Assess current capabilities and future potential

Typically, assessments provide insight into current capabilities – a leader’s strengths and weaknesses including comparisons against benchmarks. This can be an even more powerful tool when assessments move beyond understanding current capabilities (what they are good at now) and can provide insight about future potential (their unrealized abilities).

3. Expand how leaders think

Utilize assessments to identify how leaders need to develop

Assessments can describe the ways a leader currently thinks, or the schemas they use, they can provide a baseline and agenda from which to work to develop a transformative mindset. For example, an assessment could reveal that a leader believes that to be perceived as a strong manager they need to be technically proficient on their own, without getting inputs or feedback from others. An assessment could help define the baseline and gap that needs to be closed, to help this manager understand the limitations of this belief and the potential value of a more transformative mindset—that collecting inputs and feedback from team members will likely lead to a more effective result.

Leading others: What is it?

Leading others includes basic notions of collaboration between and among individuals and teams to accomplish the collective vision or purpose of a company, organization, or operating unit. Transformative leaders can recognize individual strengths and build on them, while instilling a mindset that the collective is more effective than any single individual. Developing a sense of healthy conflict of ideas to spawn innovation and better ideas is a must-have.

Leading others: Applied across the organization

Front-level staff...	Mid-level leaders...	Senior-level executives...
...are learning to appreciate the benefits of collaboration while also recognizing and overcoming risks. This is an opportunity to engage and manage healthy relationships across disparate departments or when tackling an ambiguous problem that requires innovation.	...are capable of intentionally fostering collaboration to build high-performing teams. This is an opportunity to create a culture of psychological safety to incubate innovation and minimize risk.	...are leading in visionary and inspirational ways, rather than focusing on supervisory behaviors. This is an opportunity to keep an eye toward the future and building the capabilities that their team will need in solving tomorrow's problems.

How to foster 'Leading Others' capabilities:

4. Build complementary teams

Develop a common language to understand team workstyle strengths and pitfalls and how to develop a collaborative, aligned team

Understanding individual workstyles helps to create a common vocabulary, mutual respect and complementary teaming that leverages individual strengths. Leaders will need help in identifying their team members' individual strengths, weaknesses, preferences, and styles, which are primarily identified through assessments or team building activities.

5. Develop a talent strategy

Facilitate a leadership workshop to define a strategy

Without a clear strategy about how a leader wants to spend his/her time, how he/she understands the talent on his/her team, or which relationships are key to develop and manage, a leader's success may be limited. Workshops with leaders help align talent with strategy and develop explicit objectives.

6. Shift from "Me to We"

Work with individual leaders to uncover barriers and achieve a transformative mindset

Conduct in-depth sessions (one-on-one and with a team) to help a leader move from "Me to We" and demonstrate a more collective approach.

Leading organizations and systems: What is it?

This is an exponentially different way of leading, as leaders must consider all the interdependencies and implications of internal operational systems, programmatic systems, and external systems on their organization and desired transformation. This involves challenging underlying assumptions and barriers about how people are supposed to operate within the system and understanding organizational "immunities to change"⁶ so they can truly transform systems.

⁶ Robert Kegan and Lisa Lahey, *How the Way We Talk Can Change the Way We Work*, 2001.

Leading organizations and systems: Applied across the organization

Front-level staff	Mid-level leaders	Senior-level executives
...are developing the ability to recognize organizational complexities as they arise. This is an opportunity for front line leaders to better navigate bureaucracy when getting things done.	...are developing the ability to navigate organizational complexities to accomplish an agenda. This is an opportunity to think beyond navigating existing complexities to trying to fix some of the underlying systems.	...are addressing underlying organizational complexities to support organizational needs. This is an opportunity to think about addressing organizational complexities for the enterprise overall, not specific to their portfolio.

How to foster 'Leading Organizations and Systems' capabilities

7. Establish a network

Build relationships with leaders across the stakeholder landscape

Understanding the stakeholder landscape is central to being able to operate holistically. Organizations must make it easy for leaders to determine who the relevant functions, teams, leaders, partners are and to what extent they are interdependent. This is important in both the formal context of how to work within the bureaucracy and structure, as well as the informal dynamics and relationships and understanding where the hubs of information, power, and decision making are.

8. Foster inclusive leadership

Identify opportunities for inclusion and ways to promote diversity

Though the goal is to unite disparate groups, leaders must also recognize that they will be working with groups that have different languages, cultures, operating norms, geographies and agendas. Balancing the need to form a unified culture with the importance of keeping local norms and values alive is a difficult yet critical act. Figuring out ways to effectively support underrepresented groups as leaders (e.g. women and minorities), how to manage millennials, and how to prepare for the future of work are all essential elements of leading inclusively – and organizations should have programs in place to allow leaders to do so.

9. Embrace a beginner's mindset

Challenge cultural and organizational assumptions

The beginner's mindset of being inquisitive, challenging underlying assumptions, and recognizing that leading change is not just a function of removing the proverbial 'lens' of looking at a problem from a CFO's viewpoint vs. the CTO, it is the challenge of questioning the even more embedded set of assumptions or orthodoxies deeply engrained in the organization. Risk and innovation should be celebrated and encouraged, not written off in favor of the old ways of doing things.

All nine actions can develop the three core capabilities of **leading self, leading others and leading organizations and systems**, to enable the organization to make real and sustained change.

Conclusion

The UK Government, US military, and Southwest Airlines all eschewed the traditional, top-down approach to create change and empowered their middle and front-level managers with very positive results. These examples display the modern-day truth that organizational problems reach across boundaries, requiring more networked models of leadership that include all levels. We propose three capabilities leaders should consider developing to create real and sustaining organizational transformation: Leading Self, Leading Others and Leading Organizations and Systems. Exhibiting these capabilities can lead to what we call transformative leadership, which in turn could lead to sustained organizational transformation. Accomplishing the many missions our government serves is complicated, particularly in this time of significant change. Organizations must enable their leaders to embrace change as a continual variable in leading – not an intermittent one – and create the conditions for success by building leaders’ capabilities throughout all levels of leadership. Deloitte has deployed the 9 practices described in this paper across many public sector organizations that have made organizational change stick. Together, these are the ingredients that help leaders lead through transformations and can enable organizations to achieve their missions.

For more information contact...

[Alex Braier](#)

Managing Director
Deloitte Consulting LLP

[Lisa Danzig](#)

Specialist Leader
Deloitte Consulting LLP

[Matt Garrett](#)

Specialist Leader
Deloitte Consulting LLP

[John Forsythe](#)

Managing Director
Deloitte Consulting LLP

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