# THE SYSTEMS THINKER™

*Building Shared Understanding*

# Transformational Learning: A Blueprint for Organizational Change

*by Fred Kofman*

*Nothing happens without personal transformation.*

—Dr. W. Edwards Deming

Attempting to bring about organizational change through the internal transformation of individuals is difficult, yet it may be the most effective way. The belief that people do their best according to their mental models (compassion), the acceptance that our models are only partial maps of an infinite territory (humility), and the radical respect for another be-

ing (love) are fundamental elements of a learning organization. But these virtues cannot be "rolled out" from the top; they must come from the heart of individuals. Once these qualities are developed within an individual, he or she is then able to create an atmosphere conducive to learning that can extend from the individual to the team, from that team to other teams, and eventually to the whole organization. This is the strategy we adopted in the Leading Learning Communities (LLC) program as a way to bring about sustainable organizational change.

LLC began in 1992 as a joint project between the MIT Organizational Learning Center and Electronic Data Systems (EDS). Its goal was to create a learning infrastructure that could help EDS adopt the skills and disciplines of a learning organization, while creating a blueprint that other companies could replicate. The program's intent was to develop learning skills in leaders, position these leaders in high-leverage positions, and let their new patterns of interaction affect organizational behaviors organically.

In 1993, 36 EDS managers and informal leaders successfully participated in the first pilot program of LLC. This year, 32 graduates from the first LLC program are participating in a year-long coaching program, while 50 managers have enrolled in a second LLC program. Participants of both programs are gathering enough critical mass to create a learning infrastructure throughout EDS. Approximately one-seventh of EDS's

75,000 employees reports directly or indirectly to program participants.

In addition to EDS, other major companies have started similar programs. Intel, Philips Display, Shell, GS Technologies, and General Motors are participating in the first multi-company

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program at MIT. Chrysler is focusing its LLC program on the implementation of a company-wide activity-based costing system and the development of a college for manufacturing executives. Herman Miller, a premier office furniture company, is beginning a program to create a network of learning coaches who will support different groups and subsidiaries in their continuous improvement efforts. All of these companies are pursuing alternative ways of looking at business issues, using tools and a new language that is helping them challenge both individual and shared mental models.

## Skilled Incompetence

One of the traditional business models

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that the LLC program is challenging is that "knowing" is more important than learning and that holding on to old answers is more important than opening up new questions. In the "knower" environment, managers have developed defensive behaviors such as working out problems in isolation, trying unilaterally to control their teams, always displaying their best face in public, and never saying "I don't know." The price these individuals and their companies pay for these defensive behaviors is enormous. They become masters of what Chris Argyris calls "skilled incompetence," protecting themselves from the threat and pain that come from acknowledging mistakes, but also remaining incompetent and blind to that incompetence.

It is only a short step from skilled incompetence to organizational defensive routines. In order to minimize the embarrassment and threat that come from

failure, managers adopt tactics that abdicate personal responsibility. These defensive routines disempower the organization and can create great losses. In many organizations, for example, teamwork has collapsed into "group-think." The rare person who voices qualms about the direction of the group is seen as a "poor team player," rather than a possible source of learning. Thus, people hold untested beliefs as private certainties, and no one expresses disagreements during meetings. As a result, people in authority make arbitrary decisions and the organization as a whole falls into a mood of resignation and resentment.

The cost of mental-model block and organizational defensive routines can be astronomical, drawing companies into a black hole of inefficiency and suffering. How many hours are wasted in unproductive discussions? How many millions of dollars are spent daily in turf battles between parts of the same organization? To unfreeze our mental models and deactivate organizational defensive routines, we need new forms of learning. Transformational learning, the heart of the LLC program, is one approach that can help us revise some fundamental ways of being and relating.

## Transformational Learning

Transformational learning is an exploration of how deep-seated values, beliefs, and assumptions shape the ways in which we frame and react to situations. Through transformational learning exercises, team members learn to surface their hidden assumptions, opinions, and emotions, and build new, shared views of the business issues. The consequent ability to understand and share reasoning processes—rather than just the processes' end products—creates a community of inquiry, practice, and continuous learning.

Transformational learning focuses on increasing the learner's capacity for action. The goal is to create environments in which learners can become what MIT Professor Donald Schön called "reflective practitioners," always ready to learn from their experiences rather than concoct "recipes" for success. Life is too complex and effective

action too situation-dependent for simple tool-based approaches to work well. In order to be effective, every methodology requires a user who can exercise judgment and suit the method to its application context. However,

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this capacity only develops over time through sustained practice and reflection.

Transformational learning challenges individuals to become more flexible and accepting of change. It invites learners to loosen their grip on their model of reality and consider alternative maps that can yield more effective results. Rather than focusing on tools, transformational learning focuses on the tool user. Instead of giving new answers, transformational learning encourages learners to use their imagination to expand into the unknown.

## Structures to Support Learning

Based on the transformational learning framework, learning at the LLC program is built on a cycle of discovery, invention, production, and reflection (see "The LLC Program"). Participants attend four week-long conferences spread over a nine-month period. The time between sessions is used for on-the-job practice, in which participants discover gaps between their intentions and the results of their actions, invent strategies to bridge these gaps, and put these strategies into practice.

In addition to applying their learning in the everyday work environment, participants engage in specifically designated business projects. At the beginning of the course, participants and

their managers co-design a project that will enable participants to exercise their skills while pursuing business results. At EDS, for example, LLC program participants are working on a new model of customer-supplier relationships oriented towards continual learning. At Philips Display, a management team started an unprecedented dialogue with a sister company to develop a shared strategy. At Herman Miller, a network of learning coaches are supporting a new business strategy for the company.

A key structural component of the LLC program is a staff of facilitator-coaches. Each participant has an individual coach who supports and challenges him or her. This coaching may take the form of frequent phone conversations, on-site visits, written responses to assignments, e-mail dialogues, and study group conference calls. Through this one-on-one coaching, participants discover and develop their own capabilities as coaches—skills crucial to leading their own learning communities in the organization.

To support participants in developing their learning communities at work and home, there is a summary three-day workshop for business and personal significant others. Sharing the basic tools and practices of LLC with spouses, peers, bosses, employees, suppliers, and customers has proved critical for the systemic impact of the program.

## Using Transformational Learning Tools

By using transformational learning tools in the LLC Program, participants develop a new level of consciousness and adopt new instinctive behaviors that support team learning. For example, Mark, an upper-level manager, had been assigned to a customer support group working on a multi-million dollar project. The group had recently lost its leader, and the members felt abandoned, unappreciated, and underpaid. Many of them were threatening to quit. The group's skills were in high demand, making finding replacements difficult and expensive. By using role playing and encouraging the group members to discuss their "undiscussable" fears, the group was able to articulate and agree upon the major problems it was facing, and come to a mutually acceptable way of handling them. As a leader, Mark learned that he did not have to have all of the answers. By listening with compassion to the group's concerns, he could be more open to suggestions and acknowledge that there were no "per-

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# The LLC Program

Four week-long sessions provide practice fields in which participants can safely acknowledge their learning edges and experiment with new tools and methods, integrating them into new ways of thinking and interacting.

**Week #1: Transformational Learning**. Participants confront the key dilemma of a learner in our culture: a learner must recognize and declare that there is something he or she doesn't know, but a declaration of ignorance is one of the worst managerial sins. To break this bind, we develop strategies that honor the "learner" and expands his or her capacity to act, rather than get stuck in the pretense of the "knower" who can only reproduce old behaviors. Participants learn to respect and value diverse perspectives without reverting into "group-think," to build shared understanding without censoring thoughts, to develop internal commitment without imposing hierarchical rewards or punishments, to sustain trust in the face of breakdowns, and to use language to coordinate team actions.

**Week #2: Systems Thinking and Strategic Analysis**. This week is spent studying system dynamics, the theory of constraints, general systems theory, and the "new science" (chaos, quantum physics, biology of cognition, etc.). Board and computer simulations such as The Beer Game and the People Express Flight Simulator enable participants to experience and reflect on the systemic consequences of their actions. We also consider how postmodern philosophy and psychology offer new insights for thinking strategically and learn how to use Dialogue to bring the diverse perspectives of multiple stakeholders into alignment.

**Week #3: Personal and Interpersonal Structures That Prevent Learning**. Participants analyze how we op- erate as physical, emotional, cognitive, and spiritual beings, and look at the socio-historical development of these human structures. We then study how external events (a request from a boss, a complaint from a customer) trigger our sensations, emotions, interpretations, and aspirations. One of the powerful experiences is a set of activities on ropes 50 feet off the ground, which allows the exploration of archetypal fight-or-flight reactions to stress.

**Week #4: Leadership**. The focus during this week is on integrating and deepening participants' understanding of mental models and exploring philosophies of management and communication. We review all LLC tools and practice with cases that participants develop from their everyday work. This provides a smoother transition from the structured exercises of the program to the live problems of real-world organizations.

Between workshops, participants return to their regular work settings, where their bosses have agreed to restructure their jobs to accommodate the learning process. Participants devote 10 hours a week to practice and reflection assignments. They read technical papers and books, observe meetings, keep journals, use and teach the tools to others, hold coaching sessions with each other, and reflect on their behavior. In addition to interactions with their personal coach, participants meet in weekly study groups, where they share their journals, writing assignments and cases from their practice.

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fect" solutions.

Participants also learn how to differentiate between factual observations and assessments that stem from personal opinions, judgments, and projections. Using these new skills, participants discover how to turn unproductive meetings and conversations into venues for actions that are constructive, compassionate, and effective. For example, Gus, a senior-level manager with more than 20 years' experience in manufacturing, learned how to empower his employees to solve their own problems. Using role play, Gus had his employees view problems from three perspectives: their own position, the manager's posi-

tion, and an objective observer's position. Through this process, Gus has witnessed his team members gain deeper insight into the systemic nature of their problems. In addition, since members arrive at the solutions themselves, they are more invested in implementing the solutions and feel empowered to make change happen.

Discussing the undiscussable, listening empathically, checking-in and checking-out with others before and after meetings, or using role plays to come to an understanding of others' positions are examples of transformational learning tools (see "Transformational Learning Tools" for a more complete list). By using these practices, participants learn

to derive self-respect from learning rather than from knowing, to see themselves as being in an unfolding process rather than as a finished product, and to support each other in self-transformation and the transformation of their organizations.

## Uniting Work and the Self

The core message of the LLC program is that there are no trade-offs between work on the self and work on the world: personal development and business effectiveness form an ever-expanding virtuous cycle. LLC programs invite participants to abandon the isolated view of the self acting upon the external world as a "hero" or the self at the mercy of the external world as a "victim," and instead adopt an integrated perspective of self-and-world as a mutually dependent system.

While LLC program participants are involved in the process of transforming themselves, they are also impacting their business environments and creating strong roots for organizational change. As opposed to "change agents," or "catalysts," who aim to change someone else, participants see themselves as "learning enzymes" that become an integral part of the change process. At the same time, participating organizations are encouraging personal transformation and are unleashing tremendous creativity and new business opportunities. When companies develop a transformational learning infrastructure, they create environments where their employees are whole, their customers delighted, and their business opportunities are expanded. ◗

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## Transformational Learning Tools

The "tools" of transformational learning are a set of practices that may appear simple, yet they are not easy to implement. They demand a significant change in mental models, self-image, and consciousness. Here is a small sample:

1. **Beginner's Mind**. Approach every situation with the assumption that there is something you can learn from it. View disagreements as treasures that can open windows into different reasoning processes.
2. **Fluid Framing**. Recognize that the way we interpret an event or situation is only one of many possibilities. Explore alternative logic for diverse points of view.
3. **Observation/Assessment Differentiation**. Distinguish observations (witnessable data) from assessments (subjective interpretations); do not treat opinions as indisputable facts.
4. **Advocacy/Inquiry**. Share your data and reasoning so that others understand your logic. Inquire into others' data and reasoning so that you understand their logic.
5. **Commitment Conversations**. Create and sustain a context of trust and internal commitment. Coordinate actions through effective requests, offers, and promises. Deal constructively with breakdowns through complaints and apologies that preserve relationships and correct mistakes.
6. **Shared Context**. Use dialogue to explore diverse perspectives, create common understanding, and negotiate parameters for future conversations.
7. **Verbal Aikido**. Respond to challenges and negative assessments by blending with and redirecting their energy with harmony.
8. **Check-in and Check-out**. Take time at the beginning and end of meetings to say a few words about what is on your mind and become present. Bring concerns and issues into the open.
9. **Role-Play**. Adopt another person's position to understand his or her view or put yourself in an imaginary situation to speculate concretely on what you might say or do.
10. **System Mapping**. Use causal loop diagrams to map the systemic consequences of alternative policies.
11. **The Ladder of Inference**. Reverse the unconscious process through which we select a subset of observations, add meanings, and draw conclusions to explore how this is conditioned by the beliefs, assumptions, and values of our mental model.
12. **Congruence between Private and Public Conversations**. Process your automatic assessments in a way that they can be shared without damaging a relationship. Make dilemmas discussable.

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