1 Man and transformation

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Why companies undergo transformation

Companies are subject to continuous change. In order to adapt to new circumstances in their environment they are obliged voluntarily or involuntarily to introduce change, which is why the need for transformation and for knowledge about managing it successfully is of enormous importance. The instruments for coping with this need for transformation are configurational and growth strategies regarding products, markets, business models and processes which make it possible to react adequately to changes in the general conditions of the business environment. A successful and sustainable transformation consists of both an analytical-technical side, which is characterised by the market and the steering of corporate development, and a psychological side in which management and employees, or to put it in simple terms "man", is the focal point of the process of change. The elements of design on the analytical or "hard side" are strategy processes and systems. They are the mechanics of transformation.

But why do companies fail in their attempts to achieve positive changes in terms of a fast and safe transformation? This happens almost exclusively due to internal factors. This shows that in addition to the analytical-technical side, cultural and psychological elements play a central part in transformation. In order to achieve lasting success, companies need people in positions of responsibility, who are in addition to the "hard factors" willing to actively deal with "soft" elements and use them in a target-oriented manner. Integrating the cultural side of transformation is just as much an important and permanent task for those in positions of responsibility as reacting to given market trends.

The practice of the psychological side of transformation

This book reports on the 20 years of experience gathered by Manres, which has focussed on the psychological side of transformation and its core factor, the hu-

man being, from the day of its formation. And all this comes from the "pioneering" conviction that the quality of leadership is essentially linked to the personality of the leader. In the transformation process the leader's personality is at the same time the most important leadership instrument as well as being his first leadership task. Several proven principles in coaching practice have grown from this experience. We wish to highlight these.

From the very start Manres has focussed on an interdisciplinary approach combining psychology, philosophy and business - disciplines which are in fact inseparable. The name of Manres stands for the subject of people in the company and industry ("man" in English and "res" in Latin is the case, the matter of concern). This is the expression of our mission to represent the concerns or rather the case of people in industry. Our name is the symbol of this philosophy.

On the analytical-technical side, organisational change takes place along the value chain, and on the cultural-relational side through cooperation. This begs the question of how the cultural side in transformation processes can be systematically and professionally optimised and maintained at a top level. The starting point for this is the person: in our opinion what the company needs lies seeded in the individual. On the other hand each individual experiences fulfilment to the extent that he finds that his contributions serve the greater whole. Therefore, the extent of corporate development is closely related to the individual and team-related development of the management team. What does not happen in the management board, does not happen anywhere in the company - neither in a positive nor in a negative sense. For this reason it is the approach of the psychological side of transformation to discover, develop and foster the substance of the company from the individual, and to cause it to flow into the organisation through relationship management, team building and leadership. If what the management board stands for is clearly visible and comprehensible to staff, then this insight will cascade down through various levels of the organisation and the effect is multiplied. The precondition for this is a united management board consisting not of individual "ministers" but rather forming a "government" together. This is possible when the management board "perceives" the target state from the outset, believes in it and implements it. This means in particular viewing the target as realistic and thus creating realities through it. Reality is created through action. Action is the expression of belief. The implementation of transformation processes is always action-oriented. The American Maxwell (1999, 2005) formulated the principle "a leader knows the way, shows the way and goes the way" with this in mind.

Levels of transformation

Interdependence

In a transformation process, the management board takes on a "parental role" for the system. This is developed through a process that operates at three levels: personality development, team-building and leadership development. Personality development focuses on questions such as: what are the strengths of the individuals? What are the contributions to the greater whole? What is meaningful for each individual personality? A lasting drive develops when people get involved together with all their skills and talents, their emotions and their will to achieve. Unfolding and developing the valuable core of a person – their identity – is the first step in the development process. The extent of the personality development is reflected in the change of quality of the relationships.

Following on from this, the team level is of great significance because it forms the basis from which the transformation process in the company takes effect. At team level it is a matter of uniting the team around the task: what gives a team orientation? What are the uniting factors? What creates a mutual drive forward? Team-building is successful when the feeling arises, "That the self is taken up into a greater all-embracing whole… nevertheless I remain myself" (Küng, 2004). This success is linked to the ability of the human being to transcend himself. Here one's self is placed in the service of a greater task and thus the meaningfulness of one's own actions and being is experienced.

Leadership plays an important role on both of the process levels: transforming means developing the system genuinely from the inside out; there is a gap between the status quo and the target state which should be closed. Transformation-oriented leadership perceives the difference between the status quo and the target state as an identity-driven and identity-forming development process, in which the human being represents a decisive factor — because the system needs the dedication of the human being and exists from his substance. This is the interdependence in which transformation processes invest. People want to serve the system due to their ability to transcend themselves. In our coaching experience to date we have not had a single client who said, "Today I want to manage without any success." There is circularity between the person and the system, talents and the possibility of materialisation, challenges and experienced success. Success experienced together is one of the strongest and longest-lasting motivational factors. Supporting their co-workers and the team in finding their drive and their identity is a core task of leadership. The gap separating the status quo and the target state is being closed by means of transformation. This is true for all main levels in an organisa-

tion: for the quality of the teams, the leadership quality of managers and for the organisational culture as a whole. Holistic identity-forming processes of individuals, high performance teams and successful transformation processes at the organisational level mutually condition each other for this reason.

> Personality development, team-building and leadership form a unit. In order to have a sustainable impact, support involves all three aspects.

Human needs

The transformation process also involves developing the needs of people and the goals of transformation in connection with each other. There are numerous models in management literature which represent human needs systematically. Maslow's Hierarchy of Needs (1943) is a well-known example. Spiritual needs such as self-actualisation and personal growth are placed at the top of the pyramid by Maslow. They are positioned downstream of the basic needs such as safety or social needs. This implies that the individual only announces his claim to personal growth when he feels that his basic needs are being fulfilled. Contrary to this is the experience that the search for meaning flares up particularly when basic needs are unfulfilled, e.g. when relationships fail, when health is jeopardised, when support and backing are lost. Existential concepts of human needs accommodate this experience.
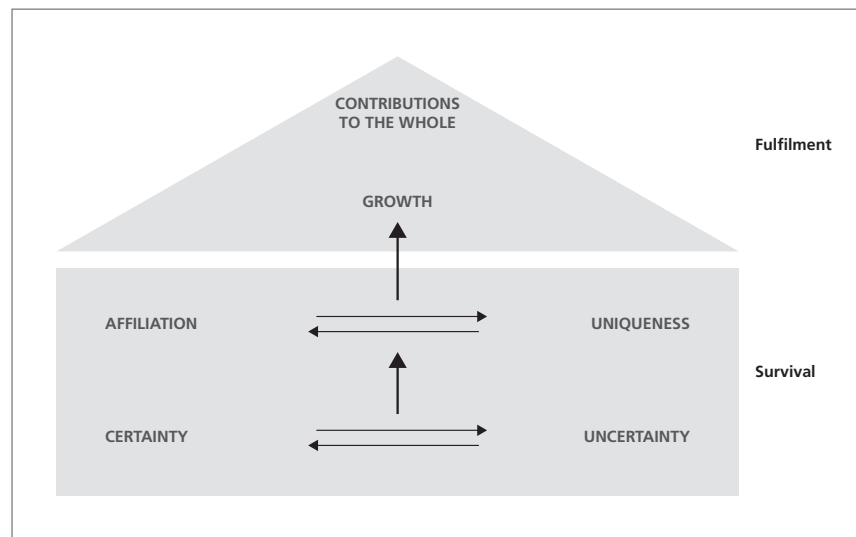

Fig. 1.1: Human needs, Manres ©

Human needs are not interdependent in the sense of "if ..., then". They rather co-exist and often contradict each other (Robbins, 2004). People have the need for "certainty", but at the same time want to experience change, variety and challenge ("uncertainty"). We need the feeling of "belonging" (love, unity, connection), but strive at the same time for "uniqueness" (identity, meaning, importance).

From these areas of tension potential arises; this is the source of the drive forward. On the other hand it entails conflicting commitments. The human being feels obliged to both needs in equal measure: he wants to be unique, different from the others, but also a part of the community. The higher you rank in the company hierarchy, the more ambivalence there is to manage – regarding both the matter and oneself. Taking a position within these fields of tension is the soil for growth, learning and maturation of personality. The development of one's own profile leads to the core of human existence: the ability to make contributions to the whole. In our opinion the human being is a giving, serving creature that has the ability and the need to leave his marks. The "whole" is seeded in the individual, and the individual wants to serve the whole.

Thus, the psychology of transformation starts from a top-down approach: the meaning has to be constantly shown and must be liveable. The learning process itself is marked by two criteria: it must be constantly repeated, until new, positive habits are established ("repetition is the mother of skills"), regarding both the learning process and the goal. And it has to be clear to all involved that it is a matter of an investment in the team, to get the best out of the people on a perma-nent basis.

In the twenty years of our experience with transformation we have learned that really good solutions can only be found when understanding the big picture. In order to mentally penetrate transformation processes and to run them successfully one has to be willing to go to places where there is philosophical and not empirical scientific reasoning. It is not validity that is crucial but rather the plausibility in the leadership practice. Empirical data cannot replace human experience. Manres understand humans to be intelligent, gifted, motivated, capable, needy beings, open to experiencing meaning, willing to perform, and born from love to love. Expressed in business terms: people are competent, experienced, talented, are looking for challenges and success and want to make a contribution both in terms of content and to the team. True commitment, especially to difficult processes in the company, arises when the "yes to the company" has something to do with one's own life.

The coach in the transformation process

Let us recapitulate: the holistic understanding of human beings is central. Everything that the company needs lies seeded in the individual. People want to make contributions with their gifts and talents and we believe that they have a mission to accomplish in this world. The work process helps them to discover it. As long as a person approaches the issue consciously a coach who is supporting him in discovering, formulating and implementing the task can be very helpful. The coach's core task is to "tell" the coachee what he actually already "knows". That means to develop what lies seeded in the coachee and to work out possibilities for its implementation together with him so that the potentials of his identity can unfold. This has the following implications for the self-conception of the coach: he is ready for a genuine encounter, and he actively enters the role of a trainer who systematically leads the coachee into a zone where his potential can be fostered like that of a top athlete. We call this zone the "learning zone". In the learning zone there is the potential for top performances which are lastingly motivated because they correspond to the identity of the high performer and can be called up "on demand", just as is the case with a top athlete or an actor. This learning process remains directed at the next talent zone and is measured by its transformative benefit, which comes out in its implementation in the organisation. The coach is responsible for the coaching process.
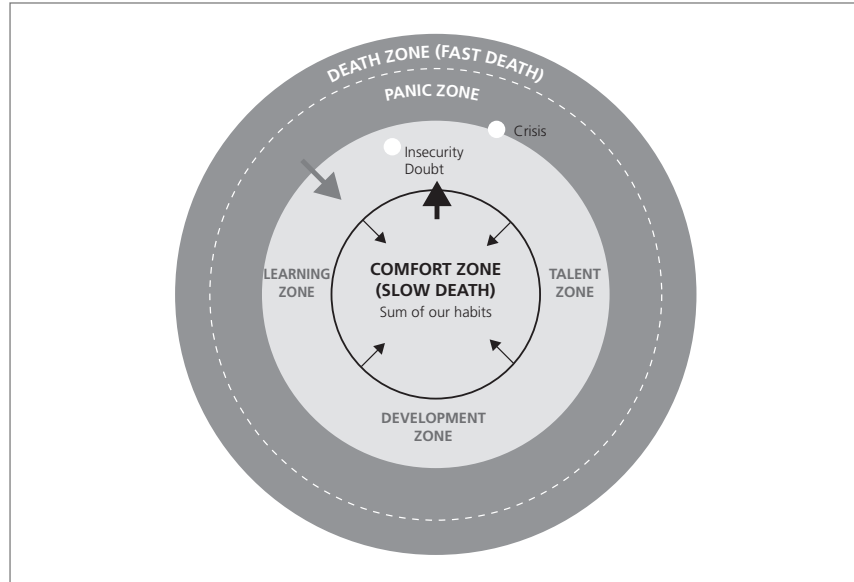

Fig. 1.2: Comfort and learning zone, Manres ©

Since the experience of the coach is never enough to understand the universal nature of man, the coach needs openness and humility in addition to competence and personality when he enters the complexity of the universe contained within the person in front of him. In our opinion the coachee is in unity with the greater whole. He is no "Leibnizian monad"; he lives in relations and references, but with regard to potential everything is always present with him. That means that the coach is continuously located outside his personal comfort zone regarding his know-how on coachees and coaching processes. He is moving implicitly in his learning zone because he cannot fall back on non-disputable knowledge in these spheres. In order to understand the person in front of him he maintains a phenomenological attitude which is oriented around the matter itself. Carl Gustav Jung (2001) highlighted this ambivalence of the mature coach using the example of the dream reader: this person should have learned as much as there is to know about the interpretation of dreams and at the same time, just at the moment when the dream is being related to him, should have "forgotten" everything. Thus, it is possible for him to open himself completely to this single phenomenon which is being described to him by this unique person in his unique situation.

Recognising the nature of the person in front of you demands a genuine encounter. Martin Buber (2006) describes the relationship between people as an existential and a dialogic one. This is a normative principle in coaching, the Archimedean point from which development can be stimulated. Closeness and encounter are relational risks which the coach takes in the interest of the development of the individual and the development of the company as a whole. He guides the process but not from a safe distance with sophisticated questions, but similar to the sports coach he engages in the game as a whole. Active transformation in coaching needs the affirmation of the unknown. True transformation is based on identity and contains elements that extend far beyond the systematic. In the common understanding the trainer is a person who tells the trainee what he should do. In a coaching situation this approach may cause alienation because it is presumed that the coach is a specialist in the process but not in the content. We oppose this with the conviction that it is the task of the coach to be available as an authority in the content, too. Content means that the coach translates the "must", which corresponds to an imperative, which the modern individual does not happily accept, into a "want" (Sloterdijk, 2009). To mobilise the inner desire means developing the consciousness of the coachee, differentiating between perfect and imperfect and thus neither being satisfied with the half-complete nor defining work with aversion. The belief that work and joy of life would not fit together is dismissed by anchoring development work in one's own identity. It necessarily follows that the best form of drive towards a goal is called intrinsic motivation. It is the driving

force that leads to positive changes in the long term. Trainers are nothing more than people that have the mandate to tell us what other people may not tell us, namely: you have to change your life (Sloterdijk, 2010). The coach is the person commissioned to shape the available willpower and to help it to achieve a break-through. The coach is a figure of the twisted will. I commission him so that he commissions me (Sloterdijk, 2010).

In order to show the previous ideas in a slightly more colourful and simple way, we take a tongue-in-cheek view when using three terms from psychopathology: the coach needs some "ignorance", some "schizophrenia" and some "sadism" to do a good job. Ignorance, because he has a mandate whose solution he does not know. Schizophrenia, because he sees something that is not there (yet), so the principle "Begin with the end in heart" follows. And sadism, because he digs into (painful) problems and only stops when the coachee turns the understanding of the matter into observable actions, and he starts to follow our motto, "Never leave the place of your insight without committing yourself to action."

The coach is the advocate of the coachee's identity. He sees what might be possible because he is looking into the present from the future. The target state originates from the status quo. Every vision of the target state is a projection that is taken from the current state. Therefore, it is implicit that every target state points to potentials that exist at this moment in time (Johner, 2009). This was already formulated by Johan Wolfgang von Goethe (2009): we make people worse when we take them as they are. But if we treat them as if they were what they should be, then we take them to where they should be taken. This is the imperative of coaching in transformation processes.

> The coach is the advocate of the coachee's identity. This includes his potential.

The certainty generated at the present moment to be able to implement the coachee's potential step by step from now creates the fuel for the transformation, to make the target state from the status quo. The coach is the "midwife" of this process; he is neither the source nor the result of the process, but he understands something about the processes of birth, about the normative conditions which are common to all these processes, as well as the unexpectedness or rather the individuality of the pathway to that place.

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