

Change leader, change thyself

Anyone who pulls the organization in new directions must look inward as well as outward.

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Leo Tolstoy, the Russian novelist, famously wrote, “Everyone thinks of changing the world, but no one thinks of changing himself.”

Tolstoy’s dictum is a useful starting point for any executive engaged in organizational change. After years of collaborating in efforts to advance the practice of leadership and cultural transformation, we’ve become convinced that organizational change is inseparable from individual change. Simply put, change efforts often falter because individuals overlook the need to make fundamental changes in themselves.¹ For a case study of leadership development supporting organizational change, see Aaron De Smet, Johanne Lavoie, and Elizabeth Schwartz Hioe, “[Developing better change leaders](#),” *McKinsey Quarterly*, April 2012.

Building self-understanding and then translating it into an organizational context is easier said than done, and getting started is often the hardest part. We hope this article helps leaders who are ready to try and will intrigue those curious to learn more.

Organizations don’t change—people do

Many companies move quickly from setting their performance objectives to implementing a suite of change initiatives. Be it a new growth strategy or business-unit structure, the integration of a recent acquisition or the rollout of a new operational-improvement effort, such organizations focus on altering systems and structures and on creating new policies and processes.

To achieve collective change over time, actions like these are necessary but seldom sufficient. A new strategy will fall short of its potential if it fails to address the underlying mind-sets and capabilities of the people who will execute it.

McKinsey research and client experience suggest that half of all efforts to transform organizational performance fail either because senior managers don’t act as role models for change or because people in the organization defend the status quo.² For more on McKinsey’s organizational-health index and findings on organizational change, see Scott Keller and Colin Price, “[Organizational health: The ultimate competitive advantage](#),” *McKinsey Quarterly*, June 2011. In other words, despite the stated change goals, people on the ground tend to behave as they did before. Equally, the same McKinsey research indicates that if companies can identify and address pervasive mind-sets at the outset, they are four times more likely to succeed in organizational-change efforts than are companies that overlook this stage.

Look both inward and outward

Companies that only look outward in the process of organizational change—marginalizing individual learning and adaptation—tend to make two common mistakes.

The first is to focus solely on business outcomes. That means these companies direct their attention to what Alexander Grashow, Ronald Heifetz, and Marty Linsky call the “technical” aspects of a new solution, while failing to appreciate what they call “the adaptive work” people must do to implement it.³ 3. Alexander Grashow, Ronald Heifetz, and Marty Linsky, *The Practice of Adaptive Leadership: Tools and Tactics for Changing Your Organization and World*, Boston, MA: Harvard Business Review Publishing, 2009.

The second common mistake, made even by companies that recognize the need for new learning, is to focus too much on developing skills. Training that only emphasizes new behavior rarely translates into profoundly different performance outside the classroom.

In our work together with organizations undertaking leadership and cultural transformations, we’ve found that the best way to achieve an organization’s aspirations is to combine efforts that look outward with those that look inward. Linking strategic and systemic intervention to genuine self-discovery and self-development by leaders is a far better path to embracing the vision of the organization and to realizing its business goals.

What is looking inward?

Looking inward is a way to examine your own modes of operating to learn what makes you tick. Individuals have their own inner lives, populated by their beliefs, priorities, aspirations, values, and fears. These interior elements vary from one person to the next, directing people to take different actions.

Interestingly, many people aren’t aware that the choices they make are extensions of the reality that operates in their hearts and minds. Indeed, you can live your whole life without understanding the inner dynamics that drive what you do and say. Yet it’s crucial that those who seek to lead powerfully and effectively look at their internal experiences, precisely because they direct how you take action, whether you know it or not. Taking accountability as a leader today includes understanding your motivations and other inner drives.

For the purposes of this article, we focus on two dimensions of looking inward that lead to self-understanding: developing profile awareness and developing state awareness.

Profile awareness

An individual’s profile is a combination of his or her habits of thought, emotions, hopes, and behavior in various circumstances. Profile awareness is therefore a recognition of these common tendencies and the impact they have on others.

We often observe a rudimentary level of profile awareness with the executives we advise. They use labels as a shorthand to describe their profile, telling us, “I’m an overachiever” or “I’m a control freak.” Others recognize emotional patterns, like “I always fear the worst,” or limiting beliefs, such as “you can’t trust anyone.” Other executives we’ve counseled divide their identity in half. They end up with a simple liking for their “good” Dr. Jekyll side and a dislike of their “bad” Mr. Hyde.

Finding ways to describe the common internal tendencies that drive behavior is a good start. We now know, however, that successful leaders develop profile awareness at a broader and deeper level.

State awareness

State awareness, meanwhile, is the recognition of what's driving you at the moment you take action. In common parlance, people use the phrase "state of mind" to describe this, but we're using "state" to refer to more than the thoughts in your mind. State awareness involves the real-time perception of a wide range of inner experiences and their impact on your behavior. These include your current mind-set and beliefs, fears and hopes, desires and defenses, and impulses to take action.

State awareness is harder to master than profile awareness. While many senior executives recognize their tendency to exhibit negative behavior under pressure, they often don't realize they're exhibiting that behavior until well after they've started to do so. At that point, the damage is already done.

We believe that in the future, the best leaders will demonstrate both profile awareness and state awareness. These capacities can develop into the ability to shift one's inner state in real time. That leads to changing behavior when you can still affect the outcome, instead of looking back later with regret. It also means not overreacting to events because they are reminiscent of something in the past or evocative of something that might occur in the future.⁴ 4. For an in-depth exploration of the adult development involved as leaders mature, see Robert Kegan and Lisa Laskow Lahey, *Immunity to Change: How to Overcome It and Unlock the Potential in Yourself and Your Organization*, Boston, MA: Harvard Business Review Publishing, 2009.

Close the performance gap

When learning to look inward in the process of organizational transformation, individuals accelerate the pace and depth of change dramatically. In the words of one executive we know, who has invested heavily in developing these skills, this kind of learning "expands your capacity to lead human change and deliver true impact by awakening the full leader within you." In practical terms, individuals learn to align what they intend with what they actually say and do to influence others.

Erica Ariel Fox's recent book, *Winning from Within*,⁵ 5. Erica Ariel Fox, *Winning from Within: A Breakthrough Method for Leading, Living, and Lasting Change*, New York, NY: HarperBusiness, 2013. calls this phenomenon closing your performance gap. That gap is the disparity between what people *know* they should say and do to behave successfully and what they *actually* do in the moment. The performance gap can affect anyone at any time, from the CEO to a summer intern.

This performance gap arises in individuals partly because of the profile that defines them and that they use to define themselves. In the West in particular, various assessments tell you your "type," essentially the psychological clothing you wear to present yourself to the world.

To help managers and employees understand each other, many corporate-education tools use simplified typing systems to describe each party's makeup. These tests often

classify people relatively quickly, and in easily remembered ways: team members might be red or blue, green or yellow, for example.

There are benefits in this approach, but in our experience it does not go far enough and those using it should understand its limitations. We *all* possess the full range of qualities these assessments identify. We are not one thing or the other: we are all at once, to varying degrees. As renowned brain researcher Dr. Daniel Siegel explains, “we must accept our multiplicity, the fact that we can show up quite differently in our athletic, intellectual, sexual, spiritual—or many other—states. A heterogeneous collection of states is completely normal in us humans.”⁶ Daniel Siegel, *Mindsight: The New Science of Personal Transformation*, New York, NY: Bantam Books, 2010. Putting the same point more poetically, Walt Whitman famously wrote, “I am large, I contain multitudes.”

To close performance gaps, and thereby build your individual leadership capacity, you need a more nuanced approach that recognizes your inner complexity. Coming to terms with your full richness is challenging. But the kinds of issues involved—which are highly personal and well beyond the scope of this short management article—include:

- What are the primary parts of my profile, and how are they balanced against each other?
- What resources and capabilities does each part of my profile possess? What strengths and liabilities do those involve?
- When do I tend to call on each member of my inner executive team? What are the benefits and costs of those choices?
- Do I draw on all of the inner sources of power available to me, or do I favor one or two most of the time?
- How can I develop the sweet spots that are currently outside of my active range?

Answering these questions starts with developing profile awareness.

Leading yourself—and the organization

Individuals can improve themselves in many ways and hence drive more effective organizational change

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