




Upgrading change management

Claus Otto Scharmer on the legacy and future of Change Management

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Abstract

Claus Otto Scharmer is a Senior Lecturer at Massachusetts Institute of Technology (MIT) and co-founder of the Presencing Institute. He is the creator of Theory U and author of the book “The Essentials of Theory U”. In 2015 he co-founded the MITx u.lab, a massive open online course for “leading profound change” in which more than 120,000 users from 185 countries have participated. Scharmer received the Jamieson Prize for Excellence in Teaching at MIT (2015), and the EU Leonardo Corporate Learning Award for the contributions of Theory U to the future of management (2016). In 2018, the United Nations Deputy Secretary-General appointed him to the UN Learning Advisory Council for the 2030 Agenda. In 2019 he is ranked #3 of the world’s top 30 education professionals by globalgurus.org.

Keywords Awareness · Capitalism · Change Management · Consulting · Co-Sensing · Disruption · Leadership · Mindfulness · Organisation · Presencing · Systemic Thinking · Theory U

Ein Upgrade für Change Management

Claus Otto Scharmer über Erbe und Zukunft von Change Management

Zusammenfassung

Claus Otto Scharmer ist Dozent am Massachusetts Institute of Technology (MIT) und Mitbegründer des Presencing Institute. Er ist Schöpfer der Theorie U und Autor des Buches „The Essentials of Theory U“. 2015 war er Mitbegründer des MITx u.lab, eines groß angelegten Online-Kursprogramms zur Führung in tiefgreifenden Veränderungsprozessen, an dem mehr als 120.000 Benutzer aus 185 Ländern teilgenommen haben. Scharmer erhielt den Jamieson-Preis für herausragende Lehrleistungen am MIT (2015) und den EU-Leonardo-Corporate-Learning-Preis für den Beitrag der Theorie U zur Zukunft des Managements (2016). 2018 berief ihn der stellvertretende Generalsekretär der Vereinten Nationen in den Lernbeirat der Vereinten Nationen für die Agenda 2030. Im Jahr 2019 wurde er von globalgurus.org auf Platz 3 der 30 führenden Bildungsexperten der Welt gewählt.

Schlüsselwörter Achtsamkeit · Kapitalismus · Change Management · Beratung · Bewusstsein · Co-Sensing · Disruption · Führung · Organisation · Presencing · Systemisches Denken · Theorie U

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1 When did you come across the topic of change management in your life and what was it that you found fascinating about this topic?

I think there are two answers to that. In a narrow sense, I came across the topic of change management in a really unconscious way. When I joined the MIT Learning Center I got in contact with Peter Senge’s work and I started to

work with Ed Schein as a teaching assistant in his class “Planned Change” that he used to teach here at MIT Sloan. In a slightly wider sense, of course, I came across the issue of change much earlier in my life through my engagement in the environmental and anti-nuclear movement in the late 70s in Germany. I found myself in the midst of a grassroots movement that was mobilizing profound change against some of the established big structures in the energy sector and otherwise. That was probably the first time I dealt with the issue of change in a more conscious way.

The “management” part of change management came later. But this aspect may be worth a critical review. When you look at change management today, you could ask yourself: “What’s really wrong with change management?” Because—let’s just be real about that—most of us are the victims of change management. We have seen the same procedures too often and we couldn’t be more cynical about being treated as objects of change management. Change is applied onto us. So if you ask regular people, everyone is sick and tired of change management. And the reason is because change management has the same problem as the nation state: It’s too big for the small problems and too small for the big problems. We’re missing two sides of the picture: On the one hand, it’s not personal enough. The conventional tools of change management do not speak to me in terms of my own individuality, in terms of my own deeper sources of who I am, what my deeper motivations are and what the grammar of my deeper journey as a human being is. And on the other hand, it’s missing the link to the current societal transformation and the civilizational crisis that we’re part of. We are basically running an economy and a democracy that’s just about hitting the wall. And if you miss these two things, you miss what is most critical at this moment. That is the most valid criticism of change management and why most people would probably say they’re sick and tired of it.

2 Does change always start with the individual?

In the cases that I can think of, change starts neither with the individual nor with a collective, but it really starts with consciousness. Change starts where I’m becoming aware of something, maybe it’s an aspiration, maybe it’s that something is wrong. It’s a shift in our awareness, in our consciousness, that’s where change starts.

If I think about particular stories, it’s actually surprising how significant the role of individuals can be, particularly in the early stage of such stories. But when you then double-click on that and ask yourself why this particular individual plays such a significant role in that context you find that it’s never just that individual but that this individual usually has

a holding space, a group of people that provide a kind of deeper enabling structure that allows this story to manifest itself.

3 The title of your doctoral thesis formulates the mission that you have set out on: the “reflexive modernization of capitalism as a revolution from within”. We presently observe an enormous differentiation in working cultures—from very instrumental, taylorist companies to postmaterialistic, value-driven organizations, from organizations with a high level of conscience and reflection to those who find it rather hard to question themselves. Are you confident that sooner or later most organizations will take the path to a “reflexive modernization of capitalism” or will the disparities in our working cultures become even larger?

That’s a very good question. I would assume that we’ll see two things. One is, more and more organizations moving in the direction of a leadership that is more conscious and more aware and that is linking the activities in business more to a social mission than what we have seen before. But I don’t think that will include all organizations. What we have seen in modernization is a process of differentiation. Some organizations are successful one way and other organizations are successful another way. In other words, some of them are positioning themselves on a higher level of consciousness and awareness and they’re attracting talent around this positioning. While other organizations, at least for the time being, are also very successful without that. And by being less aware about the negative externalities that they create for society.

We will see both types of organizations being successful in the short run. But the ecological disruption is not a fad, it’s not going away. It’s based on real data and it will reshape how we run our economies in this century. Then your choice as a company is: Do you want to be a victim, do you want to be last one who is moving into that or do you want to be a leader, do you want to embrace that change proactively, be a pioneer and make it happen. I would believe that because of the massive challenges that we face as a society, the ecological divide, the social divide and how we deal with big data and technology, we will see significant disruptive changes in how the economic framework of capitalism is evolving. So what we see today are the early stages of a transformation of capitalism that sooner or later will result in a new framework that allows us to deal with externalities

in a more rational way in order to bridge the ecological, the social, and the inner cultural divides.

4 You said that the biggest blind spot in economic theory today is consciousness. What can a changing organization do to promote consciousness with its managers and leaders?

The main thing that I have seen working is making systems sense and see themselves. What does that practically mean? It means that you begin to see what you are doing as an organization, as a manager or as a leader through the eyes of your stake-holders. That is the leaders' main job from a consciousness-based leadership perspective. And there is a variety of mechanisms how you can support that, for example with learning journeys or infrastructures for co-sensing. In today's society and institutions there is no shortage in sense-making. But the problem is that every sector, every organization is making sense in their own silo. What is basically lacking is an infrastructure where we can make sense as an ecosystem, where all the connected players that interact with each other in the real world could apply systems-thinking and can deepen their systemic understanding of what the bigger picture looks like, what works, where the bottlenecks are and how they can be addressed. So, infrastructures for co-sensing which are data-driven and which apply deep collective listening techniques to the working of the entire business eco-system are by and large missing.

Another example of what you see in some organizations happening is that they give people access to methods and tools for systems-thinking and personal development. In most of today's organizations mindfulness and personal awareness-based practices are considered a part of leadership development. Not so in Google: They have leadership, they have the technical stuff, and then they have a whole pillar, a whole part of the organization focusing on awareness, on personal development, on awareness-based system's change. They call it "search insight yourself" and have created an NGO out of that which is offering these services to other organizations in many different parts of the world.

The third aspect is that as an organization you really need to ask yourself: "What's the story of the future that we want to be part of?" You need to re-define your own purpose, why you are here. Not only because you need a license to operate from society but also because you want to be relevant to the best talents out there. So, that's really the foundations. For example, Goldman Sachs now does a lot of mindfulness training. The same people do the same bad practices that are detrimental to our society, even with more precision because they are trained in mindfulness practices. Why should I be

excited about that? That's an example which is not good enough. We have seen the power of mindfulness applied to the cultivation of the individual and that is good. But what we have not seen enough of is applying the power of mindfulness to the transformation of the collective through the transformation of the larger system.

5 Parts of the business world are more, some are less ready to adopt this line of ideas. What could be a sensible first preparatory step for a traditional organization (an "amber" or "orange" organization, to speak with Laloux) to promote openness for presencing?

I think not only these organizations need help. Basically all organizations and all of us, really, need help. As an organization, if you want to open up and engage in some of these new ways of operating, you need an ecosystem of partners that helps you in doing so. You cannot do it alone. So there is a lot of practical help needed in terms of holding the space that is necessary. And that's as true for orange or amber organizations as for any other type. That's sometimes forgotten when you classify organizations these ways.

I think we as human beings are wired to being able to move to another level of consciousness. We are wired for waking up and embracing the situation. And we know that from our personal experience, for example when we encounter tragedies, when something happens in your family. What do you do in such a case? You come together! You form a community, you are there for each other. And that's what also is very visible when companies hit a moment of disruption. You see two types of response. Some leaders pull out and hide while other leaders open up, they turn towards the issue, they embrace. And even though they don't have the answer, they are visible for their people, they're engaging with the situation. And that's the capacity that we try to strengthen. It's something deeply human and it's also something that is quite available. That's where, I think, categorizations can get into the way. Because it's actually not true that I have to be beyond orange in order to do this. You have to be a human being, and when disruption happens, you have to step up. What is leadership in that situation? Rising to the occasion. I have found this capacity dormant in many organizations and communities. But that doesn't mean that you automatically open up when disruption happens. It does require all of our attention and intention. It does require you to be fully awake.

6 Your vision for Change Management is to cultivate what you call “communities of creation”. How could this vision be translated into a concept for Change Management and can you give us an example from your practice?

Community of creation would mean that you try to focus on co-sensing, not only on what works today but more on the deeper sources of change, on what is actually wanting to happen in the larger context that we operate. It means to focus on empowering creative individuals or groups, on allowing people to connect with each other. Basically, creating an environment that allows people to connect with each other more on a personal level because that’s the foundation of deeper co-creative environments.

When you look at really successful teams, ventures and projects and you double-click on what made them successful, it usually is the same story, which is: Four or five people in the core really pulling together around a shared intention, something they want to make happen. And then unleashing or activating an energy that is attracting many other people to that. Communities of creation use this principle in a more intentional way. They create environments that allow these groups of four or five to find each other, to clarify what they want to do. And then they create a helpful environment to prototype that.

I think that the Presencing Institute is an interesting example for that. We have only five or six full time staff, yet we have a global impact, we operate projects and programs all over the place, and we’ve activated a global ecosystem of change-makers with hundreds of communities and thousands of change makers that connect with each other in manifold ways.

7 After having spoken about in which respects organizations have to change in our times: What changes does change management itself have to undergo in the coming years?

Change management needs an upgrade in two directions. One is, it’s no longer “change”. Change is too neutral and too technical a word. I worked with an automotive company, traditional industry, very big and global. 10 years ago, the program they go through when managers are promoted to the second level below the board, was all about change management. And now they said: “Change management?

We no longer need that. That’s already pushed down into the organization.” That’s no longer a topic for them because what used to be on the director-level is now one or two levels down in the organization, the bread and butter.

So on the top leader level you need to shift the focus to something else, which is no longer change management. But what is that? That has to do with some of the larger things that we just discussed. It is how to build the container, how to lead at an ecosystem level, how to deal with network leadership challenges, how to build a planetary movement. And also, how to understand the larger story of disruption that we are being part of. Because if you are a leader in a moment of disruption, you better understand what is going on. You can’t go on autopilot if this much is happening.

There are new questions that come up, that deal more with how to strengthen the self, how to strengthen your deeper resources. Because the higher you get, the less clear the direction that is being given to you. Where do you get the directions for leadership from? You get it from your own self. But how do you strengthen your own self in an environment where everything is noise and disruption? I would say, we still need change management. But it’s no longer good enough. The change needs to be replaced by transformation because today it’s no longer about change, it’s really about transformation. And management really needs to be replaced with leadership. So, it’s about leadership that can be helpful in a moment of disruption and transformation that includes all the personal levels, the team levels and the organizational levels but that is also connected to the bigger story that happens on our planet right now. I think that’s the real challenge, and that’s where the update is needed.

The interview was conducted by Falko von Ameln in February 2019.



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