

# CRACKING THE CODE TO CHANGE

*What every leader needs to know about  
the obstacles to overcoming change*



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*Seventy percent of all corporate change initiatives fail. The results aren't any better for individual change efforts. Think about it. How often do you discuss the same issues with employees in performance reviews year after year? They acknowledge the need for improvement and leave their review with the best of intentions to change. Things get better for a couple weeks but before long old habits kick in.*

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As businesses, we invest significant time, energy and money trying to change behavior. We get it that the ability to change and adapt is vital to organizational success. On one hand we're optimistic about our ability to make it happen but deep in our hearts we wonder if people ever really change.

### **What makes some change easy and some change hard?**

Think in terms of two kinds of change. One requires **technical** learning, which means acquiring new skills and capabilities. The second requires **adaptive** learning, which means changing or broadening a mindset.

Let's say you install a new computer System. People are resisting the new system – everything feels unfamiliar and getting the work done is more difficult.

Making this change requires technical learning. You take a course, read a book or get on the job training. Change that hinges on technical learning is relatively easy.

Now imagine you've changed a department's job descriptions. You reassign duties and set a new expectation that customer service reps or underwriters are required to spend 35% of their time on new developing business. On the surface, this may seem like technical learning. You give your customer service reps good sales training and they'll be ready to go. If you dig deeper, you often find that the lack of know-how isn't the obstacle; it's their stereotypes about being "pushy salesmen" that are in the way. All the technical training in the world on how to sell won't change their behavior.

What's needed to get the change you want is a change in mindset. That is adaptive learning which is a much more complex process. Our mindset stems from a combination of deeply held beliefs we acquire as children, values absorbed through the culture and environment in which we're raised and the lessons life teaches us along the way. Many of these beliefs and attitudes function below the surface at a subconscious level. We're unaware of the influence they have on how we think, feel and act.

A lot of corporate and individual change efforts fail because we take a technical approach to adaptive learning challenges. When that doesn't work, we chalk it off to people not caring or trying hard enough. That's seldom the answer.

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### **One foot on the gas, one foot on the break**

Often people are willing and motivated to change, they just don't seem able to do it. When that's the case, they may be unknowingly caught in a “hidden commitment.”

A “hidden commitment” is a powerful, often self-protective force that competes with the stated goal we're trying to achieve. It's below the surface so we don't realize how it impacts our mindset and behavior. The result is we're stuck -- we've got one foot on the gas trying to move forward and one foot on the break because of the “hidden commitment”.

Consider Dan – a division manager with a goal to grow his segment of the business



by 18% in the upcoming year. He agrees with the goal and is excited about being a more significant force in the company's business.

Dan knows that if he's going to reach his goal he has to cut back on the clients he services and spend more time on planning and accomplishing work through others.

Six months into the year the department isn't even close to reaching its goal. In a candid conversation with his boss, Dan's response is he wants to get to the strategic work if he can just get out from under the day-to-day client demands. Dan's boss tells him he needs to work on his time management skills and learn how to prioritize. Dan's problem isn't prioritizing. He is prioritizing but it's based on his “hidden commitment” that his customer service work is what really matters, not the strategy work.

Beth is another example of someone caught up in her “hidden commitment”. Bright, hardworking and dedicated, she's one of her firm's rising superstars. She arrives early, stays late and is always prepared, yet she has trouble finishing projects and routinely misses deadlines. Her boss believes her problem is that she's a procrastinator and that she just needs to be more disciplined about meeting deadlines. Procrastination and lack of discipline aren't what's holding Beth back; it's her “hidden commitment” to giving 110% to everything she does or feeling like she's failed. Her need for perfectionism leads her to second guess and rework everything she does.

Leadership teams can also be victims of “hidden commitments” just like individuals. Picture an annual offsite strategic planning

meeting at a company we'll call Instar. Instar has an ambitious growth goal and the senior management team concludes that the company's current strategy won't get them where they want to go. Everyone around the table nods in agreement when the COO says we need a new growth strategy. They spend the rest of the day exploring a variety of ideas but team members find fault with every one of them.

Frustrated by the experience, the COO sees his team members as negative, stuck in their ways and lacking the appropriate sense of urgency about the need for change. The team believes in the need for change but their "hidden commitment" is not to do anything that could fail. Instar's culture has minimal tolerance for failure. Experience has shown team members that maintaining the status quo is the safest thing to do. Until the COO understands the "hidden commitment" and helps the team acquire a new mindset, significant change will be virtually impossible.

### How to surface the "hidden commitment"

In our coaching work with individuals and teams, we often use a learning process called Breakthrough Code. It's based on the research of Dr. Robert Kegan and Dr. Lisa Laskow Lahey on adults' immunity to change. There are six steps.

**1. Choose the goal – Choose a goal that focuses on what you want to get better at.** The goal needs to be something that really matters and that the individual or team feels strongly about accomplishing. It needs to be behavior based, not outcome based and stated in the affirmative.

### INSTAR'S GOAL

**Behavior based:**

We are committed to getting better at creating new products and services that will expand our business.

**Not outcome based:**

We are committed to being a billion dollar company by 2020.

**Affirmative (what you'll start doing):**

We are committed to getting better at creating new products and services that will expand our business.

**Not negative (what you'll stop doing)**

We are committed to stop being so negative when it comes to new ideas.

**2. Make a list of what you're doing/not doing to undermine the goal –** Focus on concrete behaviors not attitudes or feelings. The deeper you dig, the better your results will be. The more behaviors you list and brutally honest you are, the better. With Instar, one of the things that were revealed in this process was that the COO consistently got very upset and was critical when anything failed – even if it was a learning experience

**3. Imagine doing the opposite –** Look at the list of what you are doing and not doing to undermine your goal, and imagine doing the opposite. Do you feel any discomfort, worry or fear? For Instar's COO this meant visualizing himself listening calmly as one of his senior VPs reported on a failed new business initiative. He worried that if he did

this he would be viewed as weak and tolerant of failure.

**4. Identify the outcome you're committed to preventing** – When you engage in the undermining behavior, what's the troublesome outcome you are committed to preventing? This is the “hidden commitment.”

For Instar's CEO, the “hidden commitment” was avoiding any failure at all costs.

**5. Uncover the big assumption** – Our big assumptions are the lens through which we see life. These assumptions are formed early in life when we're very young and impressionable and accept everything we're told as true. In reality, many of these assumptions are untrue or true only some of the time. When we bring them to light, we can finally challenge them and release the limitations they place on us.

Instar's CEO's big assumption was that any failure was bad and that a failure would cost him the reputation he worked so hard to build. As long he held this view, it was going to be extremely difficult for him to get his team to try anything new.

**Instar CEO's “hidden commitment”:**

I am committed to avoiding failure.

**His big assumption:**

I assume that failure is bad and that it will hurt my credibility.

**6. Testing the big assumption** – Once we can step back and see our big assumptions more objectively, we can start to challenge their validity through a series of tests. After running several such tests, most people feel ready to reevaluate the big assumption itself and many are ready to replace it with a new expanded mindset.

### Change that transforms

Getting to the “hidden commitments” and big assumptions that hold us back is not a process for the faint-of-heart. For the courageous individuals and organizations committed to understanding and eliminating the forces that limit their potential, it is truly transformative.

*To learn more about how to use this process to eliminate the obstacles that may be holding your leadership team back, contact Kimberly Paterson at 732.681.0700 or [kpaterson@cim-co.com](mailto:kpaterson@cim-co.com).*

