The art and science of experiential leadership: culture at the core of process change success

Graeme Thomson

Human capital development – the nurturing and development of leaders, teams and organizations – is increasingly the focus of initiatives to enhance business success. But, despite considerable research and teaching of theory and practice, for most of us it’s still tough to actually become a “good leader.”

We have noticed increasing practical attention on the inner, personal aspects of changing what people actually do at work: How do we bring ourselves fully and authentically to our work? How do we show commitment and energy in fulfilling that work in a way that is satisfying and fulfilling? How do we bring focus and clarity to the way we communicate? How can relationships be fostered that energize and align rather than engender fear and order-taking? How do we listen with intent and openness? How do we create conversations that generate alignment, candor and responsible risk-taking? In short, how do we foster generative rather than destructive organizations?

These may be new themes to business, but they are not new to artists, performers and philosophers, which is why new approaches integrating the arts are now attracting considerable interest as practical ways to “reengineer human capital.”

The Harcourt Assessment challenge

Harcourt Assessment was a major educational testing and publishing business, devising and scoring national tests in schools and other institutions. Its corporate heritage dates to the beginning of the century when World Book Company was founded and developed a number of educational products. After many corporate mergers, in 2003 Harcourt Assessment, Inc became an operating company of Harcourt General with a goal to improve both teaching and life-long learning. Some of the World Book products were still in the Harcourt Assessment catalogue.

A new CEO, Michael Hansen, appointed in July 2006, found a business in trouble. Leadership and collaboration were suffering and error rates in tests were high. As a result, the company was losing clients, taking a pounding in the press, and financially in trouble. Hansen reviewed the strengths Harcourt had to draw on. “Let’s put it this way. The people by and large were highly capable and highly knowledgeable in their respective fields. It was not a situation where you say: “Look, I have to exchange half of the senior management team, I’ve got to bring different people into this business and then this business is going to perform . . .”

And yet, organizational performance clearly was not reflecting all these potential individual strengths. Hansen recalls the challenge: “The reality is that intensely personal and people-driven factors ultimately determine the success of any business. I thought, if I can get these people to operate in the first year at 60 percent or even 80 percent of their creative potential, we will have a great business . . . These people know every aspect of the testing...
business and they are extremely motivated. But the question is, how can you use that raw material and turn it into a high performing, creative entity?’’

His answer – honest communication ‘‘really treating people with the respect that everyone deserves. I think this is crucial. Generally people have a very good sense for empty management phraseology.’’ Honest and personal dialogue about the company’s problems among different levels of management and staff would require a safe environment where change can happen. A safe and honest environment breeds new creativity. A fearful, insecure workplace kills it stone dead.

‘‘Before our change process,’’ Hansen observed, ‘‘no one seemed to have the bigger picture of the whole company in sight and everyone was simply trying to optimize whatever they could in their own world. The cultural change we initiated was really about making people accountable for what they did. And the accountability had to go hand in hand with teamwork and customer focus. The teamwork really needed to break down the silos, so we coined the phrase ACT which means Accountability, Customer focus, and Teamwork, which I know parallels theater principles of responsibility for your own performance, being focused on your audience, and working as an ensemble.’’

Partnering to support and facilitate change

In Hansen’s experience, the positioning of change is crucial. ‘‘If you say to our staff, ‘Look, we’re going to coach you to get better performance and really make you more creative,’ they’re going to say: ‘What? Are you kidding me? I mean, the house is on fire and you’re trying to massage people’s souls? Why are you doing this?’ It takes a fair amount of determination and experience to take this kind of risk . . .’’

Therefore, Hansen believed that Harcourt needed a disinterested outside party to help facilitate that process. ‘‘For many people such a profound departure from what they were used to meant they needed some framework, some support, and some continuous coverage by way of coaching. The senior management team needed to regain trust in the leadership – and they needed to gain trust in me. It was important that I wasn’t seen as coming in with the troops from outside, trying to teach them how to run the business. That would have prevented us from making progress.’’

Hansen had known The TAI Group from his days as a partner at The Boston Consulting Group, which first engaged The TAI Group more than a decade ago to work on high-level partner development. Hansen subsequently worked with TAI to help his team develop a new corporate approach when he headed strategy at European media giant Bertelsmann. ‘‘Philosophically, performing arts people share my fundamental principles about creativity. So I figured the alignment of philosophy, as it were, between The TAI Group’s underlying performing arts approach and my beliefs would help achieve just that.’’

The TAI Group’s role at Harcourt was to create an environment conducive to change, supporting Hansen as he rebuilt functionality in the business, while helping the executive team find alignment and new ways of working effectively together on the massive problems facing the organization. The TAI Group’s successful track record with Hansen, combined with his sensitive positioning of the firm as a change ‘‘partner,’’ enabled his own executive
team to engage in the process without prejudice against a non-traditional consulting approach. Change had to come quickly, so this reestablishment of a functional and productive organizational culture, proceeded in parallel with a fundamental reengineering of operational processes, initiated and run by the Harcourt staff.

**Using performing arts techniques**

The initial focus was on developing collaboration in and between divisions. Allen Schoer, the founder and current CEO of The TAI Group, explains how TAI approached the challenge. "Whenever we enter a critical situation like this the stakes are high. How we engage with the individuals is vital to the success of the whole exercise. It’s central to creative enterprise and leadership in the performing arts, too. Directors must constantly take disparate groups of highly capable individual and competitive performers and create an ensemble sufficiently aligned for it to attain high levels of performance in very stressful environments.

"At Harcourt, our objective was first to let the personal start to emerge. People began to see what was truly important to them, their values, emotions and essential drivers. This awareness guided how people explained what they wanted, how they listened, communicated and worked effectively with others. When people see what deeply motivates others they start to see where they’re aligned rather than where they differ. This is a critical shift for individuals and organizations," Schoer said.

"What we did, coming directly from how performers have to work, was to take people beyond their fears to a practical place where they were able do things they hadn’t thought possible," Schoer said. “Action and change happen in the dynamic of positive, creative relationships. We used performing arts techniques to get people on their feet to feel what it’s like to communicate and relate in ways they’d never done before. For example, getting Harcourt's teams to share personal stories or make passionate speeches, then hear immediate, honest feedback from peers, created vulnerability and willingness to listen on new levels. Difficult conversations began to have greater conviction and certainty."

Referring to one of many executive team workshops he facilitated, Schoer reveals the process of energizing relationships and spurring communications. “I led this two-day session some months after the project started. And at the end of the session, we had many easel sheets all around, and some of them were about the qualitative side, not just the strategic action steps. And so I said at the end of the second day, 'Let's just focus on all the ones that are qualitative, about who you are and what you said about each other: your assets, the way you work together, what you bring to the table. Just look at those and pretend you’re an outsider. If you were to see all those qualitative attributes about the people in this company, how would you feel about it?

"And there's this long, profound silence, which led to a long conversation and the realization: 'You're not the same people you were when I first met you.' And I gave them specific examples, real data points, on how they’re working together with each other in just a short period, where before they were throwing hand grenades at each other. I reminded them of one member's success in creating a new team and how she had shared her own strategies with the rest of the team. I had them reflect on how the new CTO's approach has started to forge previously impossible communications with the sales team. And I talked about how they had facilitated monthly off-sites that would prepare for the Pearson transition (Pearson acquired Harcourt Assessment in the midst of TAI's engagement) preserving culture, values and jobs.

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"We got people aligned and working together. We reengineered the ‘human capital.’ The spirit was up. New creative avenues opened up. And they became proud of themselves and each other in the middle of a horrifying year," Schoer said.

It is nothing new to say the best leaders stimulate the creativity of others. As individual character emerges, leadership capabilities and skills naturally emerge too. But for TAI, the essence of lasting change in groups and individuals is “experiential learning,” enabling people to face and overcome fears, doubts and hesitations. This is knowing “what it feels like” to really act in a powerful, relational and impactful way.

This TAI challenge to clients – “We’re excited about what you haven’t created yet” – sums up our own experience of what happens when people understand their underlying motivations and “drivers.” They start to speak honestly about how they see the world, listen to others “in the present,” seek alignment rather than difference, and then – simply act. Our goal is to enable clients to have more vital relationships with their colleagues, friends, and families, and become more powerful in their practical daily life and work. Schoer says: “We’re not therapists. We focus on helping individuals and organizations uncover their own way of working – their own methodology – and develop that.”

The case of the turnaround at Harcourt Assessment, reveals how these approaches can promote rapid shifts in executive behavior and, in this case, help a dramatic turnaround in the company’s financial fortunes.

Measuring success

Critics often point out the apparent difficulty of measuring the success of change projects, which are driven by attention to human performance. How did Hansen and his team measure success? First and foremost, by the numbers: In mid-2006, Harcourt had slipped into the red and signs were for more of the same. When the company reported its results in mid-2007, profit was healthily back in the black.

Hansen’s view is that the cultural leg of the strategy was as important, and played as robust a role, in the turnaround as the major improvements in testing processes and overall operations. “The reality was that it [culture change] was really driving the success of the other two, and I don’t think it’s an overstatement to say the cultural work was a critical piece in the success of this entire turnaround.”

Employee feedback seems to bear out this judgment call. An employee satisfaction survey, carried out in mid-2007 showed clear attitudinal changes. Staff were asked to rate the senior team’s performance. A total of 72.4 percent of staff reported the team encouraging teamwork and collaboration, nearly 25 percent higher than the previous year. Asked whether they had confidence that the company’s strategy and goals would position it for business success, 76.2 percent responded favorably, more than 30 percent up from the previous year. Seventy-nine percent said that, all things considered, the company was changing favorably, up from just 44 percent. Those having trust and confidence in the overall job being done by the senior leadership team were at 77 percent, up from 43 percent. Finally, 73.2 percent of staff rated the ability of top management favorably, up from just 37 percent a year before.
Reflections on the change process

“I believe people have a desire to put their own imprint on the world they live and operate in. Giving them avenues to actually execute on that unleashes an enormous amount of potential for a business, or for any organization, to perform better,” Hansen said in an interview after the turnaround. “I’ve found that bringing a performing arts perspective to that desire makes a crucial difference.”

Other Harcourt executives have also reflected on the change process. The then legal counsel Scott Barnes clearly sees the work as highly-effective organizational performance consulting: “My previous experience of this kind of work began with the mechanics and etiquette of teamwork. What surprised me was that the new work took individuals as the starting point. It helped to bring a clear focus on what my motivations were – we looked at key motivators. I started to understand what was driving me and my behavior – and to channel that to make me work for the organization rather than creating conflict within it…”

Barnes referred to the central importance of this experiential, rather than cognitive, approach. “We started interacting with others – finding out about what I call other people’s ‘freaky buttons’… We got more comfortable putting ridiculous ideas on the table and seeing what happened,” he said.

Harcourt Assessments’ director of public relations at the time, Russell Schweiss, said “… vulnerability and humility are watermarks of good leadership. Sometimes there’s nothing healthier than being vulnerable in front of people that you’re working with regularly, so they can see your humanity. Because they are human, too, they know they have weaknesses. To see someone else admit to it gives them the freedom to do the same.”

Schoer adds that this is at the essence of the actor’s performance. “Actors face this vulnerability, the potential for public humiliation, every time they audition or stand on stage in front of an audience. The way we train ourselves to overcome this and turn it into a positive energy can be extremely powerful for people in business.”

Businesspeople, like actors, should be able to recognize the potential of each new assignment, making them, as TAI continually is, “excited about what you haven’t created yet.”

About the author

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