CHAPTER ONE

Busting Old Paradigms and Using New Ones

Defining and Shaping Our Future

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CHAPTER GOALS

By working though this chapter, you will be able to answer the following questions:

- ❑ What is a paradigm? Why and when is it useful?
- ❑ What are the limitations of a paradigm?
- ❑ What are frames?
- ❑ What are mental models?
- ❑ What are paradigm shifts?
- ❑ What are the frequent fads?
- ❑ What are the causes of fadaholism?
- ❑ What are some of the new realities (new paradigms and "ground rules") impacting organizations?
- ❑ What is a Strategic Thinking and Planning paradigm that works?
- ❑ Why can't we continue on the way we are?
- ❑ Who should care about creating a better shared future?

❑ What are the implications of ignoring the new realities?

❑ How can we assess whether change is strategic?

TODAY'S PARADIGMS

How do we define and deliver success? First we must get rid of the useless baggage of the past. Let's take a look at the future and why we can't rely on old models, methods, and models to define and achieve success . . . to deliver high payoff results. If we are to really think strategically and practically, regardless of where we are or have been, we must create the future rather than be victims of it. It is important to know "what's in our heads" in terms of our understandings, concepts, and biases so that we can decide whether it makes sense to change or not. If we are to change—to do practical strategic planning and deliver high payoff results—we must select the appropriate mental model, or frame of reference, for thinking, planning, doing, and delivering. For our journey to measurable success we must align people, performance, and payoffs. Interested? Let's take a closer look.

If you have skipped the Preface and Introduction, please go back and take a few minutes to read them. They provide an orientation to the whats and whys of the material you are about to read.

There is no denying that the world is rapidly changing. And in that reality, standing still is no different from falling behind. As a result, all fields of human and organizational performance are racing to keep up with the production of knowledge that has accelerated beyond all our dreams—and nightmares. The role of the "futurists" has emerged in this time of change. This influential group of scholars attempt to forecast, inform, and analyze the trends of the chaotic, evolving world we live in (see Table 1.1). The challenge for many of us is to identify, from the knowledge generated by these adept professionals, what can be used to define, justify, and then create a better world through our organizations today.

Table 1.1. Early Futurists and Their Landmark Works.

• Alvin Toffler: *Future Shock* (1970)
• John Naisbitt: *Megatrends* (1982)
• Ian Morrison: *Future Tense* (1984)
• Faith Popcorn: *The Popcorn Report* (1991)
• Ira Matathia & Marion Salzman: *Next* (1999)

Meanwhile, the world of business, government, and management races to keep pace with the ever-changing world around us. The results of frantic efforts are a bewildering profusion of management theories, fads, and fashions that often replace each other before their worth has been tested. Everyone is being competitive, yet few are creating a new future. Many are reactive, but few are proactive in creating the future we want for tomorrow's child.

However, it's possible to distinguish trends in the development of management and leadership paradigms so that those chosen measurably improve performance. Peter Drucker, the acclaimed writer of management wisdom over the last fifty years, popularized the term "the New Realities" to define these new paradigms that are influencing us, our businesses, and our world—even if we don't recognize them.

Paradigms[1]

"Paradigms are the boundaries and ground rules we use to filter and understand reality . . . they allow us to comprehend our world and to successfully deal with it."

—Roger Kaufman, based on Joel Barker, 1989

The concept of "paradigm" is both ancient and modern. Historically, it meant model, framework, pattern, or example, a meaning that survives today. It was the historian of science, Thomas Kuhn (1970), who initiated the idea of evolving and changing paradigms in his book *The Structure of Scientific Revolutions.* For Kuhn, science was characterized by the dominance of succeeding paradigms as models for thinking. Paradigms explain the world to us and influence our actions. A paradigm is one way we see the world—not in the physical sense, but in terms of perceiving, understanding, and interpreting. The futurist Joel Barker has helped our understanding of paradigm shifts in recent years. His definition is applicable to the social sciences, business, and academia alike.

A paradigm is a set of rules and regulations that:

1. Defines boundaries;
2. Tells you what to do to be successful within those boundaries[2]; and
3. Is used to "filter reality." We use paradigms to understand data and information . . . to order, relate, and control our reality.

If we use an outmoded or inaccurate paradigm, useful ways of understanding and then dealing with reality might be filtered from our consideration.

A paradigm shift is a change to a new game, a new set of rules, and a new set of realities. In leadership and management there are a number of competing paradigms available. Paradigms allow us to see things in a certain way, but they also make it difficult to see other things that do not "belong" within the paradigm being used. We usually cling to our paradigms—to stay in our comfort zones—and see only what they enable us to see, even when their assumptions are not clearly or rigorously stated. At its worst, a wrong or incomplete paradigm can result in conceptual imprisonment. Resistance to change is not so much a resistance to new paradigms as it is a fear of abandoning the security of old, familiar ones—even if we know them to be unsuitable.

Eventually, every paradigm encounters new problems, new realities, and changing situations that it is unable to adapt to. Just as critical to adopting new paradigms, then, is recognizing when old paradigms will no longer lead to future success . . . and abandoning them despite opposition of "the mainstream," often without sufficient data to support the new paradigm. Skills of a change leader, then, include "unlearning" the old paradigm in addition to embracing the new.[3]

Frames of Reference

In practical terms, paradigms are expressed through communication with others. Leaders have the greatest potential to change paradigms through the meanings they create. Effective leaders present images, metaphors, and stories that can grab our interest and attention. The use of language is especially influential in either supporting the status quo and existing paradigms or in challenging the status quo and institutionalizing a new paradigm.

Frames of reference are an essential tool for managing meaning. And when you can manage meaning you can get agreement on common destinations and how each person may uniquely contribute to the accomplishment of that shared destination: to determine the meaning of a subject, event, or new reality is to make sense of it; to control this frame of an event or trend is to choose one particular meaning (or set of meanings) over another. When we share our perceptions and mental models with others, we manage meaning. We assert that our interpretations should be taken as a better alternative to other possible interpretations.

There are three key parts to the skill of framing[4]:

1. Language (the most obvious component of the skill);
2. The internal framing we must do before we can frame for others; and
3. Forethought, which prepares us for on-the-spot framing.

Mental Models

"Mental models are simply the pictures we have in our mind about the way things are and ought to be."
—Nirenberg, 1997

In order to frame for others we must first frame for ourselves. To frame internally we draw on our mental models. In his book *The Fifth Discipline,* Peter

Senge defines mental models as "deeply held internal images of how the world really works" (1990, p. 174). These images, which can range from simple generalizations to complex theories, have a powerful impact on our framing behavior because they affect what we guide others to see. A mental model is an essential resource: it identifies the dimensions along which our experiences will be judged and subsequently communicated to others. It is important to bring our mental models to the conscious level. Unless we do so, our mental models may be limiting, and incorrect assumptions about the world might escape our notice. Therefore, whenever possible we must think through our mental models in advance of our requirement to help frame them for others. Mental models have the following characteristics.

1. They are natural. Everyone has and uses them—whether they are consciously aware of them or not.
2. They are prized and personal but can often be shared (for example, the world is flat, pigs fly, the earth revolves around the sun).
3. They can be changed (some more easily than others). When we lose or drop them they usually go but must be replaced with others.
4. They guide our action and behaviors.
5. We seek reinforcing feedback to confirm and reconfirm them (for example, the "I told you so" scenario).
6. They give meaning to events and help us interpret them.
7. They are not facts, although we sometimes take them to be so.
8. They are deep rooted and sometimes unconscious, yet they predispose us to act in a certain way.
9. We use them to distinguish and decide between what is important and what is not.
10. They can influence us to mistake our view or perspective for reality (for example, we mistake the map for the ground it represents).
11. Mental models are like filters to our senses—they can distort and reinterpret reality. We use them as frames to understand and filter reality.
12. We can learn to challenge our mental models.

In summary, paradigms are interpretations of how things—such as an organization, our world, and our relationships—work, define what is important, and guide our actions to be consistent with that thinking. Mental models are individual paradigms for how our world works. Frames are the ways in which we communicate our interpretations of the meaning of events, situations, and incidents. As we will see, all of these are best related to the new realities and how we frame them in order to positively influence performance at all levels.

Putting Paradigms, Mental Models, and Frames of Reference to Work

In any system of interrelated parts, changing any part of a system influences the whole system. When change produces sufficient momentum because the old ways and means do not really work very well anymore, we can speak of a "paradigm shift." When the rules of what works change, everything that operates within that system changes. When we have such a paradigm shift, a change in all the significant rules, then uncertainty and ambiguity are likely to occur as our mental models transition from the old to the new. Many people become uncertain about how to proceed. Such discontinuities change the rules of operation. It makes little sense to deal with the new situations by applying the old rules, even if we can make them cheaper or faster.

Instead, we must challenge old assumptions and mental models and start thinking strategically. We create new objectives, measurably defining the desired future before selecting the new methods and means to get there. As will be discussed in later chapters, high payoff results are those that will add value to both internal and external stakeholders—from individuals and teams to entire organizations, to external clients, including society (Kaufman, 1998, 2000; Kaufman, Watkins, & Leigh, 2001).

We urge that we all concentrate on a newer paradigm for thinking, planning, doing, and delivering high payoff results. This paradigm begins with a focus on the value to be added for external clients *and* for society.

Why society? Isn't *business* the business of business? That is the conventional paradigm, the old paradigm in which *business* defined *business.* In today's competitive global markets, the business of business now includes adding value for all stakeholders, including society. This is a new reality (a new paradigm).

The old paradigm would explain why an international tire company would push hard for quarterly profits through higher tire production only to find out that in many cases the tires failed under some road conditions. Without an initial focus on the safety and well-being of all stakeholders, including vehicle owners, the short-term results of increased production and profits produces negative consequences for all, including the tire company that will have to spend a very long time recovering the few dollars they saved in production because of resulting societal liabilities.

Such a paradigm of business and management also rewarded executives for collecting golden parachutes and secretly selling stock options while their decisions led the company down a path of destruction. This old paradigm of business management allowed some to temporarily fool themselves into misreporting corporate financial health, publishing incorrect data, and shifting liabilities in shell games for public consumption. It resulted in leaving other stockholders, consumers, and the entire community with worthless retirement accounts, failed investments, imploding stock values, and a disparaging perception of the business world.

Another shift in the conventional wisdom of organizations is about taking big risks. Audacious risks. If one doesn't make big bets, huge-but-rational-risks, you are a fixed target and at significant risk. Another shift from conventional wisdom is about change agents. The usual position is that any organization must have change agents. A new imperative is that the organization itself must be a change agent (Drucker, 2001).

High Payoff Results are the results (ends and consequences) of individual and organizational performance that yield positive contributions for external clients and society. These Results depend on aligning and adding value at all three levels of results—individual, organizational, and societal.

Discontinuities arise from paradigm shifts that invalidate the old paradigms, including those that may have been the basis of a firm's earlier success, strategy, tactics, and culture. Organizational factors that were key success indicators suddenly become liabilities and barriers to future success. Some sources of discontinuity in recent years appear below in Table 1.2.

There are several potential responses to discontinuity:

1. Ignore the new reality.
2. Increase the effort within the status quo to move the organization up a steeper change curve (more of the same), that is, work harder and harder doing the same things in hopes that it will yield different results.[5]

Table 1.2. Why Paradigms Shift.

- Terrorism
- Technology breakthroughs
- Medical and physiological breakthroughs
- Breakdown of governments
- Asian meltdown and rebirth
- European Union
- The World Wide Web
- Long-term diseases/afflictions
- Weather/environmental shifts
- September 11, 2001
- Enron

3. Try to get ahead of the change curve by benchmarking others' methods in hopes that it will change what the organization produces and delivers (play leapfrog by chasing fads).

If these approaches seem insufficient, in this book we explain a fourth alternative.

4. Create a desired future by strategically creating a new paradigm of success, then selecting the appropriate methods and means to get there, that is, defining and delivering high payoff results.

Paradigm Mismatches and Poor Performance

Mismatches between paradigms occur when old paradigms are retained even after a breakthrough has triggered a paradigm shift. Those operating from such an approach keep working from the old paradigm, although a new one has taken its place. For example, many organizations used new information technology simply to speed up their existing processes, rather than rethinking their business practices in order to capitalize on what new technology makes possible in terms of achieving internally and delivering externally.

Obsessed with Newness

"Not surprisingly, ideas acquired with ease are discarded with ease. Fads ebb, flow and even change by 180 degrees."
—Pascale, 1990

The pace of economic and technological change has accelerated almost beyond belief. Computers now perform complex operations in a fraction of the time they took only a few years earlier. In order to merely keep up, continual multi-learning and lifelong learning are essential. Continuous innovation has become fundamental to survival. Measurably demonstrating results to internal and external stakeholders is essential for success . . . and for survival.

The sense of urgency about stimulating and developing the management, organizational skills, and knowledge necessary to deal with accelerating paradigm shifts has triggered a profusion of management gurus, fads, books, and new methods.[6] An obsession with newness, to become *"The Best," "Leading Edge," "World Class,"* or *"High Performing"* can be a distraction from the practical, sensible, and pragmatic. Obsessed with the new, we often consume the "hot" fads year to year—the equivalent of self-medicating without an informed diagnosis of the problem. Organizational self-medication may alleviate symptoms for a short time, but seldom is there evidence of measurable and sustainable contributions to internal and external customers. And sometimes things can get worse.

EXERCISE—ASSESS YOUR EXPERIENCE WITH FADS

Take this opportunity to assess your personal experience with a selected number of the fads and management theories that have ebbed and flowed since the end of the Second World War.[7] This exercise asks you to reflect on your experience and knowledge of each fad and to judge whether you have any evidence that the method improved performance in a measurable way. You may wish to share your assessment with a colleague; you're likely to find that you're not alone.

The list in Table 1.3 is a sample of some of the methods, tools, and models that have been offered as "quick fixes" to improve organizational performance. Assess each one by ticking one or more of the columns.

We are not implying that none of these tools or fads work—only that the evidence on their effectiveness shows that as typically applied they are often small compared to the benefits alleged.

Define the Results before Selecting the Means and Resources

The intent of the previous exercise is to underscore the fact that if you don't know what results you are creating (and why you are creating them), no tool, fad, or method can or will help. The key to obtaining high payoff results for all stakeholders is to begin organizational thinking, planning, and doing with a rigorous assessment of gaps in results based first on value added for external client and society. Needs Assessment can be used to identify the performance gaps and opportunities in measurable results-focused terms. A Needs Assessment identifies gaps between current results and desired (or required) ones and places then in priority order for resolution based on the cost to meet the need as compared to the cost of ignoring it (Kaufman, 2000). And subsequently, needs are best defined only in terms of gaps between current and desired results.

A useful Needs Assessment (covered in Chapter Five) provides the data for the selection of solutions, tools, and interventions that have the greatest probability of accomplishing high payoff results.

Two vital components are usually missing from conventional needs assessments:

1. Linking to all aspects of the internal and external environments (including societal value added).
2. Commitment and follow-through. Clark and Estes (2000, 2002) suggest that less than 40 percent of all change initiatives are ever continued. This might be an optimistic figure.[8]

Table 1.3. Fads Checklist.

	Fad	*Don't Know What It Is*	*Know, but No Experience*	*Experience*	*No Evidence It Worked*	*Evidence It Worked*
1	Decision Trees					
2	Managerial Grid					
3	Satisfiers/Dissatisfiers					
4	Maslow's Hierarchy of Needs					
5	Theory X-Theory Y					
6	Brainstorming					
7	T-Group Training					
8	Theory Z					
9	Management by Objectives (MBO)					
10	Strategic Business Units (SBU)					
11	Zero-Based Budgeting					
12	Value Chains					
13	Decentralization					
14	Wellness					
15	Quality Circles					
16	Excellence					

(*Continued*)

Table 1.3. Fads Checklist. (*Continued*)

	Fad	*Don't Know What It Is*	*Know, but No Experience*	*Experience*	*No Evidence It Worked*	*Evidence It Worked*
17	Restructuring					
18	Portfolio Management					
19	Management by Walking Around					
20	Kaizen/Kanban					
21	Hoshin Planning					
22	TQM					
23	Intrapreneuring					
24	Corporate Culture					
25	Reengineering					
26	Economic Value Added (EVA)					
27	Neurolinguistic Programming					
28	One-Minute Managing and Situational Leadership					
29	The Learning Organization					
30	Transformational Leadership					
31	The Network Organization					

32	The Intelligent Organization					
33	The Fifth Discipline					
34	New Science/Chaos Theory					
35	Empowerment					
36	Workplace Community					
37	Self-Managing Work Teams					
38	Servant Leadership					
39	The Seven Habits of Effective Executives					
40	Systems Thinking					
41	Spirituality					
42	Attila the Hun					
43	Zen and the Art of Motorcycle Maintenance					
44	Self-Managing Teams					
45	Sustainability					
46	Third Bottom Line					

Fads Are Usually Means-Related

The fads in the exercise in Table 1.3 are examples of the many methods and means that are available "off the shelf" for use in organizations today. Unfortunately, they are often solutions in search of a problem to solve. And all too often they are chosen before a clear definition of the problem has been derived.

The premature choice of means and methods often leads to the practice of "fadaholism," the consequences of which are failed projects, wasted resources, and low performance. This book emphasizes that proactive strategic thinking—defining and delivering practical useful results—starts with agreement on the required results at three levels (Kaufman, 1992, 1998, 2000; Kaufman, Watkins, & Leigh, 2001):

1. *Mega Results.* Results whose primary client and beneficiary is society.
2. *Macro Results.* Results whose primary client and beneficiary is the organization itself.
3. *Micro Results.* Results whose primary client and beneficiary are the individuals and/or teams within the organization.

This approach to strategic thinking (planning for and achieving results at the Mega, Macro, and Micro levels) overcomes the practice of fadaholism while designing and creating a better world in which the means chosen follow from planning the desired high payoff results.

THE NEW REALITIES

This applications-oriented book and companion CD makes a distinction between strategic thinking and strategic planning. *Strategic thinking* is the mind-set, frame of reference, or paradigm that takes an initial focus on Mega results (that is, positive societal impact) and defines the future we want to help create for our future and for the future of our children and grandchildren. Using it allows for the continuous adjustment and adaptation to the changing realities, thus creating the future instead of simply reacting to it. This requires a new and more effective paradigm.

Strategic planning is the formal process of defining and documenting the desired future and ways to get there. Useful strategic planning builds on and from Mega: it begins with societal value added. Strategic thinking and strategic planning are related, and together they can lead to accomplishment of high payoff results—results with positive contributions at the Mega level.

Why Mega? Because everything we use, do, produce, and deliver must contribute to our shared world. It must result in the health and safety of all. It must contribute to our partners (including external clients) being self-sufficient, self-reliant, and having a positive quality of life. If you are not adding value at the Mega level, chances are you may be subtracting it.[9] You expect all organizations you deal with to focus first on *your* health, safety, and well-being. Should you not do the same?

Strategic thinking can be done every day and is not limited to an annual ritual. Conventionally, however, strategic planning tends to be formalized into annual and multi-year events. Both are essential, but strategic thinking is a mindset—a way in which we live our lives and do our business. It is more flexible to the reality of accelerated rates of change, while at the same time being responsive to the new and evolving paradigms. Strategic planning provides the directions and requirements for delivering high payoff results; it is a formal, yet responsive, process that defines and delivers useful results.

If Your Organization Is the Solution, What's the Problem?

Ends and means. Problems and solutions. Organizations—yours and ours—are all means to societal ends. They are held responsible for adding value to internal and external clients as well as to our shared society. Answering the question "If your organization is the solution, what's the problem?" requires an honest examination of determining what value, if any, we add to external clients and our shared society. Asking and answering this question requires that we start thinking of the required alignment between what we use, do, produce, and deliver and the impact we have externally.

What difference does it make if we align what we do and deliver with external impact? Plenty. Social service agencies (such as welfare or unemployment) have to measurably demonstrate clients' movement toward the accomplishment of self-sufficiency and improved quality of life. Makers of tires have to assure the safety of stakeholders both internally (such as dealers and resellers) and externally (consumers). Consulting companies must successfully align what they deliver to their clients with adding value to their clients' clients and our shared world. No shortcuts. No deals.

This kind of alignment is not only practical (Would we want to be part of a business that doesn't add value to external clients?), but it is ethical.

The New Realities

Listed below are some of the New Realities that are influencing our lives, the teams to which we belong, the organizations within which we work, and the communities in which we live:

1. Tomorrow is not a linear projection of yesterday.
2. You can't solve today's problems with the same paradigms that created them.
3. There are two "bottom lines" for any organization: Conventional and societal (Kaufman, 2000).

4. Change creation and change management are the "twins" of organizational survival and thriving (Kaufman, 2000).
5. Doing good is no longer a corporate option. It is a must (Popcorn, 1991).
6. If you can't predict the future, create it (Drucker, 1993).
7. It is easier to kill an organization than it is to change it (Peters, 1997).
8. Reality is not divided into policies, laws, rules, regulations, sections, departments, or agencies.
9. After September 11, 2001, we realize that a simple and exclusive focus on individual performance improvement or even organizational performance alone will deliver failure.

These are examples of new realities. There are many things that we used to believe that don't apply any more. Aubrey Daniels (1989), in his book *Performance Management,* stated it clearly:

> "It ain't what we don't know that is the problem, it is what we know that ain't so."

IGNORING THE NEW REALITIES

What does it cost to ignore the new realities? In this section we select a number of new realities and identify some of the implications of ignoring them. They are shown in Table 1.4.

It would be easy if we could simply and passively observe the passage of time and paradigms. We could be spectators to the disasters and successes of others but avoid the turmoil, chaos, and disruption of accelerated and profound change. But life is not like that. Or if it is, you will be missing out on the excitement of (and responsibility for) making a valuable and valued contribution. We are influenced and affected by many of the new realities, even if we don't recognize the extent to which high payoff results affect us or others. What follows are some of the potential consequences of ignoring the new realities.

Consequences

The consequences and implications of ignoring the new paradigms will be felt more or less immediately, depending on your role. Here are some potential implications for leaders and managers:

- You are hit by a huge litigation case because you are shown to have done serious damage to people's health (think of the tobacco industry, a manager of a tire manufacturing company, an accountancy firm).
- You lose market share to your competitor who adjusted quicker and better or who came out with something new that you did not think of, and profits plummet.

Table 1.4. Implications of Ignoring the New Realities.

Code	*New Realities*	*Implications of Ignoring*
1	Tomorrow is not a linear projection of yesterday.	What worked yesterday will not necessarily work today or tomorrow. The world changes suddenly. Those changes or discontinuities are often large, profound, and unexpected. The Swiss watch manufacturers believed their market share would continue to grow on past successes. They rejected the electronic quartz technology and between 1979 and 1981 fifty thousand Swiss watchmakers lost their jobs. Meanwhile SEIKO increased market share from 1 percent to more than 30 percent. The Swiss failed to detect the paradigm shift and failed to think strategically (see Barker, 1989).
2	You can't solve today's problems with the same paradigm that created them.	We get cut off from a better future by the hidden tenacity of our old solutions. Wrong solutions. Wrong, because they are not working. When we are habitually involved in selecting solutions that don't work, our "solutions" have become our problem. New solutions require us to "bust the paradigm" that created the problem. We have to challenge our beliefs, assumptions, and habits and not do what we have been doing. Step out of our comfort zones. The implications of ignoring this new reality could be: • Critical problems remain unsolved. • Money gets wasted on wrong solutions. • Resources are wasted for no added value. • Client satisfaction levels drop. • You lose market share to more successful competitors. • Client safety drops. • Social and political situations get worse.
3	There are two "bottom lines" for any organization: conventional and societal.	Traditional capitalism was obsessed with the quarterly profit and loss statement. Meeting budgets is still *the* priority for many organizations. The conventional bottom line is still the quarterly profit and loss sheet. Peter Drucker (1993) noted the new paradigm when he popularized the notion that knowledge and information is the new capital—not just money and things.

(*Continued*)

Table 1.4. Implications of Ignoring the New Realities. (*Continued*)

Code	*New Realities*	*Implications of Ignoring*
		The new economy talks of "intellectual capital" and we now have "knowledge companies." Some inventory has been substituted with information. Profit alone is insufficient to measure these new values. Profit as a prime purpose ignores society as a client. Profit focuses on the short term and ignores social impact in the long term. Times have changed and Charles Handy in his book *The Hungry Spirit* states it well: "Unless organizations have both a soul and a conscience they will not deserve their place in modern society and will not long survive" (1997, p. 157).
4	Change creation and change management are the "twins" of organizational survival and thriving (Kaufman, 2000).	Change management is reactive. We attempt to control change that washes upon us. Stress and concern rule the day as people react to new conditions. This is required, for "change happens." A twin of change is creating the change that is responsive . . . instead of being the victims of change, be the masters of it. The "train" industry went flat and declined because it did not see itself as a player in the next generation of requirements—not just supplying trains, seats, and cargo but also getting people and things to where they had to go on time and at cost. If they had seen "change creation" in their perspectives, they would have also run the airlines, and perhaps the forthcoming space travel.
5	Doing good is no longer a corporate option. It is a must (Popcorn, 1991).	The implications of ignoring this paradigm include: • We may have no future if we don't add value to external clients and society. • Competitors who add value to society will pick up your market share. • Most people would like to make a positive difference to society, even in a small way. And if they feel the organization makes no worthwhile impact, then they will look elsewhere for organizations that allow them to define meaning in life—they want to add value to society. • Those organizations that harm society will be challenged and possibly put out of business (for example, the continuing fate of the tobacco industry).

Table 1.4. (*Continued*)

Code	*New Realities*	*Implications of Ignoring*
6	If you can't predict the future, create it (Drucker, 1993).	Instead of being reactive to the moves of one's competitors and other changes in society, we should be encouraged to define the future, then take charge and create it. The implications of ignoring this New Reality could likely include: • We become the victims of change. • We are the last to market and are continually playing catch-up with our competitors. • We allow chance, hope, and fate to take control of our lives. • We put the "locus of control" and responsibility for positive outcomes—societal value added—in the hands of others. • We sacrifice doing better, being better, and performance improvement for the status quo. • Leaders are assessed and shown to be irresponsible through trial and error and fad management. It is a sure sign of managerial incompetence when one new technique is introduced before the last has been proven to improve performance.
7	It is easier to kill an organization than it is to change it (Peters, 1997).	Change is usually painful for most people. Tom Peters, and indeed increasing numbers of others, observe that some people are so afraid of change that they will continue with dysfunctional behavior. They will even do so in the face of the organization failing. Peter Drucker said that "we are getting better and better at doing that which should not be done at all." We, when scared, focus on means and resources instead of results and consequences. Failures of organizations to change often lead to their demise. Banks have been struggling to go from "banking" to financial management, and those who could not make the transition have either failed or have been absorbed by those who could. We have often heard, "I am not going to change. I only have three years until I retire." Armies have lost battles for refusing to change—the British refusing to deviate from the "red square" alignment, even after experiencing being slaughtered by hostiles who did not play by the same rules as the British. Airlines continue to cut back on services to save money while alienating customers . . . they look only to the quarterly profit-and-loss sheet and not to the future. Resistance to change, resistance to valid and important change, is a sure way to get killed.

(*Continued*)

Table 1.4. Implications of Ignoring the New Realities. (*Continued*)

Code	*New Realities*	*Implications of Ignoring*
8	Reality is not divided into policies, laws, rules, regulations, sections, departments, or agencies.	In every public operation, governmental or local, organizations are typically focused on one issue, such as health, education, or welfare. Any person wanting services or seeking assistance must turn to each agency for help. However, someone might have interest in the intersections among agencies, such as health (my child has to have shots to enter school), education (you can't enroll without health certification), and welfare (I have to have approvals to get free medical assistance). Yet governments, and most other organizations, operate as if it makes sense to split operations up into entities and not look at the whole. That is why people and cases "fall through the cracks" between agencies, organizations, and jurisdiction. Laws, rules, regulations are passed without looking at whole people and whole communities. Convenient, but a convenient fiction all the same.
9	After 9/11 we realize that a simple and exclusive focus on individual performance improvement or even organizational performance alone will deliver failure.	Airport security in the United States was based on a driver of "get the people to the airplane on time" and only superficially on safety. On September 11, 2001, it was legal to carry a box cutter on an airplane. But the focus of security screeners was on taking away knives, scissors, and explosives, not on a "unifying" driver of "arrive alive." Why did not security screeners, while box cutters were legal, not ask why five unrelated passengers on flights were all carrying box cutters? The training was on immediate tasks, and so they performed. There was no formal concern for "arrive alive." Just focusing on individual jobs and tasks or even organizational outputs alone will not serve us well. What about tire companies that met production and delivery schedules and perhaps overlooked safety? Energy companies that simply looked after the welfare of some executives and not after the buying public or shareholders in general? How about accounting firms that put billable hours before integrity of reporting true financial condition?

- You lose your job because your board of directors perceives you as unable to adjust to change and to deliver continued success.
- You lose the support of constituents because you show no long-term concern for clients and communities.
- You have a revenue crisis because the products and services you sold in the past are no longer meeting your customers' requirements; sales are down, and worse, you still have no alternatives to offer.
- You spend large amounts of money on the latest fads but continue to lose market share and profits—all the while not serving your clients.
- You leave the future to chance, fate, and unplanned reactions, thus condemning tomorrow's child to clean up the catastrophe that you failed to prevent.
- Other disconcerting statistics mount:
  - Products are produced and delivered that put client safety at risk.
  - Violence in parts of cities rises.
  - Tribal wars increase worldwide.
  - Profit is reduced due to growing legal fees and governmental penalties.
  - Water pollution and consequential deaths increase.
  - Crime and corruption increase.
  - Levels of poverty and starvation increase.
  - Cancer as well as stress-related conditions increase, causing loss of life and livelihood.
  - Drug-use deaths and disabilities increase.

In simple terms, the world becomes a dimmer place to live and work for you and others.

EXERCISE—IGNORING THE NEW REALITIES

The following exercise provides you the opportunity to assess the implications of ignoring the new realities related to high payoff results within your organization and community. Choose at least five of the new realities from the list on previous pages.[10]

Write the new realities in the second column on Table 1.5 below and comment on the implications of ignoring each one you choose. Share your perspectives with a colleague.

Table 1.5. Implications of Ignoring the New Realities in Your Organization.

	New Reality	*Potential Implications of Ignoring Within Your Organization*
1		
2		
3		
4		
5		
N		

The New Realities

Given the range of new realities, people and organizations are influenced by them even if they don't consciously recognize their impact on internal and external clients. The proliferation of management fads is often an attempt to adjust to these changing realities.

Causes of Fadaholism

There are several causes for "fadaholism":

1. It is a popular thing to do—as segregation, smoking, and authoritarian leadership once were.
2. Memes: A meme is the psychosocial equivalent of a gene. They are the ways that culture is transmitted. Memes replicate themselves, like a virus or fad.[11]
3. The fad is then promoted by skilful salespeople and gurus to uninformed buyers—convincing them that they "need"[12] it when they really just "want" it.
4. The fad appeals to common sense and appears simple as presented by the salesperson. It takes the complex and makes it appear simple (also known as the KISS lie: Keep It Simple Stupid).
5. The fad worked for someone else (hearsay evidence that often goes unchallenged by the buyers).
6. The fad takes the immediate pressure off getting and using the rigorous research necessary to define our true requirements (data from a needs assessment).
7. The fad will make organizational decision makers look good in the short term.

8. You can espouse flexibility and "leading edge" responsiveness, but you don't have to practice it. Attending lectures on the fad is easier than stepping out of one's comfort zone.
9. You don't have the evidence (data) or skills to know any better. It seemed like common sense, and you didn't know any better.
10. You don't believe in evidence (research) based performance improvement.
11. The fad is sold by the largest multinational consultancy so it must be good for us.

PARADIGMS THAT WORK

Most organizations today are faced with the challenge of change. It is vital to assure that any change is useful, not simply faddish or change for change's sake. The new realities, and new paradigms, present both opportunities and threats to which we must respond. There is a requirement to discriminate between the paradigms that will yield high payoff results at all three levels of results (Mega, Macro, and Micro) and those fads that add no value (and often subtract value). This section presents you with the skills and knowledge to detect the fads.

Fads are usually means-focused. They suggest hot new ideas for "fixing" things, such as empowered working groups, group problem solving, high tech computers, Outward Bound programs, web-based training and the like. They are nothing more (although often less) than potential means, potential solutions. It follows, then, that means should not be chosen until the desired results (ends) are defined and aligned with desired and required high payoff results. When the desired results are agreed on, then the various means can be evaluated and compared and the right one(s) selected.

Appendix A provides a detailed example of how paradigms have shifted for individuals and organizations focused on performance improvement.

New Paradigms Provide New Approaches to and for High Payoff Strategic Planning and Doing

This book provides you with new tools and techniques—to be covered in the subsequent chapters—for the following key organizational activities:

- Thinking strategically to improve organizational performance by making useful contributions.
- Assessing needs—gaps in results, not gaps in resources or methods—to define problems worth fixing.
- Identifying the relationship between various organizational elements (system thinking).
- Developing *Smarter*[13] objectives to design the impossible.
- Creating and managing strategic change to break old paradigms.

- Defining problems and selecting solutions that work.
- Quantifying SWOTs (strengths, weaknesses, opportunities, and threats) and stakeholder demands.
- Analyzing business/organizational logic to develop tactics.
- Conducting a cultural screen to manage culture change.
- Selecting paradigms that improve organizational performance in a measurable way.
- Creating and designing the future and thinking proactively.
- Selecting cost-effective methods and tactics to achieve results.
- Evaluating the effectiveness of your strategic thinking and planning processes and continuously improving.

A PREVIEW OF COMING INFORMATION

We have an interesting challenge. We are trying to help you build a concept of a holistic approach to defining and achieving high payoff results. In order to do this, we may introduce terms—such as *Smarter* objectives—before we can discuss them in detail, as we do for this one in Chapter Seven. Given this, a brief definition of a *Smarter* objective is:

S = Specific performance area
M = Measurable in ratio or interval terms
A = Audacious
R = Results focused
T = Time bound
E = Encompassing
R = Reviewed frequently

This is a deviation from many conventional definitions of an objective (in the literature often referred to as "SMART" objectives). Suggesting that any objective must be "achievable" does not provide a practical framework for defining and delivering high payoff results. Instead, the *A* in *Smarter* objectives signifies that they are to be "audacious" . . . that they encourage us to move out of our old paradigms and comfort zones, that they stretch our imagination (and innovation) and hearten us to take some sensible risks.

We also add another concept to the definition of the attributes of a useful objective: that it be *E*ncompassing**.** While we encourage audacious objectives, we also want whatever we do and deliver to be practical; and being practical involves adding value to the communities in which we work and live, and in which our products are delivered. Objectives must be more "encompassing" than the usual focus on individual performance. Objectives must encompass results and consequences for not just individuals, but also teams, the entire organization, and external clients and our shared society.

CREATE A BETTER FUTURE

Luck or Proactive Thinking and Planning

Teilhard De Chardin, the Jesuit philosopher, believed that humans are the only animals on the planet that could both observe and influence their own evolution. We can say with some certainty that the ability to consciously adjust to changing circumstances is an indicator of healthy individuals, healthy organizations, and healthy communities. The challenge today is to adjust faster because the world around us is changing at speeds that create dysfunction or "future shock" (see Toffler, 1990) and high levels of "information anxiety."

Luck and the Open Market Scenario

"There are two Bottom Lines: Conventional—*short-term profit, short-term continued funding; and* Societal—*measurable societal value added over time."*
—Kaufman, 1992, 2000; Kaufman, Watkins, & Leigh, 2001

One of the most difficult paradigm shifts to make in business is to realize that the objectives of profit and growth are no longer sustainable as the sole objectives of enterprise. Societal value added has become the central business imperative. Why?

The unrestricted open market and poor planning have resulted in the following negative consequences (these may be considered "high impact damage"):

- Increased rate of species extinction.
- Increased rate of habitat depletion.
- Rate of increase in technology application and resulting scientific disaster.
- Desertification.
- Deforestation.
- Acid rain.
- Depletion of nonrenewable resources.
- Industrial pollution.
- Birth defects.
- Industrial accidents, including poisoning.
- Depletion of fishing stocks.
- Erosion of soil.
- Reduction of water resources.
- Decay of trust in public and private organizations.

- High rates of poverty and starvation.
- High rate of usage of nonrenewable resources.
- Workplace violence.
- Social violence.
- Crime.
- Terrorism.
- Jail terms for cheating executives.

In the traditional management paradigm, priorities were limited to short-term profit, growth, and immediate shareholder returns. In addition, positive, long-term contributions were assumed, since the planning was limited to the short term. This book describes a strategic approach to high payoff results that focuses on integrating the three levels of planning and results.

Mega. Defining and planning and creating the desired world for tomorrow's child and tomorrow's citizens. This level of planning begins with an Ideal Vision—the kind of world we want to, together, achieve—and is focused on adding value to society.

Macro. Planning focused on results for your organization to deliver to immediate clients and contributing to the Ideal Vision at the Mega level.

Micro. Planning for results focused on the individuals and teams within the organization. These results are derived from the Mega and Macro results requirements in order to align what we produce and deliver with useful external contributions.

This new paradigm for strategic thinking is proactive and includes the concept of sustainability—closing current gaps in results without compromising the ability of future generations to do the same. It does not ignore profit, but makes sustainability and societal value added the first priority.

Thomas and Clegg (1998) in *Changing Paradigms* give evidence of the new paradigm:[14]

> "Companies are adopting more creative business paradigms, in which they regard a deep respect for the environment and a genuine concern for their stakeholders as a fundamental strength, not just of their value system, but in their business practice." (p. 430)

Any "scorekeeping" on organizational responsibilities and contributions must now include Mega, that is, societal value added. Such is the "stuff" of high payoff results and consequences.

Increasingly, people have in recent years emphasized the new reality of adding value to society (see Kaufman, 1992, 1998, 2000; Maynard & Mehrtens, 1993; Popcorn, 1990). Mega is larger than simply adding the natural environment to one's set of concerns. All of Mega must be included, not just the environment. We must include the environment as well as the health, safety, and welfare of all stakeholders.

A Better Paradigm than Luck

What have we accomplished? What are we doing right? What could we do better? What sort of world do we want to design? What better paradigms, tools, techniques, methods, and means will get us there?

Certainly, we can't carry on as we are. The dominant organizational paradigm in the western world has resulted in widespread problems and has reduced the ability of individuals and organizations to become and remain self-sufficient and self-reliant. Many organizations are clinging to an outdated world view that is no longer able to deal with an under-resourced, overpopulated, and globally interconnected planet. This actually harms future clients and will result in their decreased ability to "do business" with us. See Table 1.6.

Table 1.6. Traditional Planning vs. the High Payoff Results-Oriented Paradigm.

Traditional Planning	*The High Payoff Results-Oriented Paradigm*
1. Improve the present model—more of the same. Incremental changes to the present way of doing things. Stick to same old rules but do it better.	1. Strategic thinking is by definition "paradigm busting" and involves the design and creation of a new paradigm. It involves new concepts, realistic new rules, new techniques, and new skills to be successful. It often requires leaving the comfortable behind.
2. Short-term profit or funding. Objectives project five years at the most.	2. Long-term objectives that design a better world for both today's and tomorrow's citizens. Sustainability* (and continuous improvement) and profit objectives are five to one hundred years plus.
3. Dwells on tactics and activities unconnected to measurable results. Wants are often confused with needs.	3. Focuses on designing future results in measurable terms before selecting relevant strategies and tactics. Results are long term and set and linked at three levels Mega, Macro, Micro.
4. Objectives define financial results only. Internal clients and future citizens are ignored. Positive societal impact is left to chance.	4. Objectives are designed for a balanced range of stakeholders 4.1. Future citizens 4.2. Today's clients 4.3. Internal clients A balanced range of performance indicators is chosen to evaluate success.

(*Continued*)

Table 1.6. Traditional Planning vs. the High Payoff Results-Oriented Paradigm. (*Continued*)

Traditional Planning	*The High Payoff Results-Oriented Paradigm*
5. Sustainability is not an issue in planning.	5. Societal value added and sustainability are the priority issues in planning.
6. "Needs" are defined as gaps in resources methods and means (We "need" more buildings, we want more computers).	6. Needs are defined as gaps in results between current and desired results. Requirement for more resources are quasi-needs.
7. Level of planning focuses on immediate clients and major shareholders. Society and internal clients are not formally or rigorously considered.	7. Planning includes the integration and linking of three groups of clients. 7.1. Society now and in the future 7.2. Immediate external clients 7.3. Internal clients
8. Goals are more often general, vague, and exclude measurable elements.	8. Objectives are SMARTER. They are written for results at three levels, and include a measurable element.
9. Visions are more often short term. Organizational missions are "fuzzy" and sound good but don't include the next generation of citizens. Societal value added is not an issue for the organization.	9. An Ideal Vision states in measurable terms the kind of world we want to design for our grandchildren. The organizational vision defines the contribution the organization will make to the ideal vision in measurable terms. Visions are about societal value added—now and in the future—not about what an organization alone wants to accomplish.
10. No shared meaning of what an organization is or must deliver—usually treated as collection of unrelated parts.	10. Shared meaning on the elements common to all organizations, systemic mental models emphasize relationship between the parts.

*While "sustainability" is a frequently touted word and concept, we suggest that it might, unfortunately, imply that we just want to keep things, including the environment, the same way it is now—no further deterioration. We suggest that we seek to find ways to not just sustain or maintain, but to improve—improve constantly toward perfect natural balance.

EXERCISE—WHO CARES?

In this exercise you are given the opportunity to reflect on the old paradigms that have influenced your life and to compare them to the sort of world you would like for yourself and tomorrow's citizens.

Of organizations that you personally do business with, which do you expect to place high priority on:

- Caring about your survival (health, safety, and well-being), self-sufficiency, and quality of life?
- Caring about your and others' survival (health, safety, and well being)?
- Caring about the sustainability of our planet for the next generation?

Check the YES column in Table 1.7 if you expect them to care. If you have evidence they don't care, check the NO column.

Do Organizations Have to Have Their Focus on Mega?

High payoff results flow directly from a Mega orientation: adding value for all external partners. When first considering using Mega, some who are initially timid or skeptical are concerned that:

- "It's not practical, not real-world."
- "It's not acceptable to my client/associates/boss."
- "This is not part of my role."
- "It's not under my control so is something I cannot/should not deal with or for which I should be responsible."
- "I am having enough trouble booking work and keeping my job. None of my clients would go for it."

Such arguments are self-defeating. Starting the 21st Century were a set of organizational failures, collapses, and implosions that many would now attribute to not taking and maintaining a Mega focus on useful results. For example, evidence indicates that the U.S. energy giant Enron did not, while espousing "the good of shareholders and communities," have a high impact focus. Indeed, some of the organization's executives seemed to be maintaining a focus on their own wealth and well-being, not that of all stakeholders. Another bankruptcy was an international broadband supplier who, at the end of the day, appeared to be catering to the good of a few insiders and not to the stockholders.

"Dot.coms" came crashing down by the hundreds, sending shock waves through international markets as it was increasingly noticed that the stocks were inflated through personal ambitions rather than value they would deliver to shareholders and external clients. A major then-big-six accounting firm was accused of overlooking or ignoring "creative" bookkeeping and business practices for several of their clients. This was being done while maintaining a million dollars a week cash flow from one client that went bankrupt when such practices led to its demise. Both the accounting firm and the client suffered

Table 1.7. Checking Whether Organizations Care.

Organizations You Do Business with	*Care About Your Survival (Health, Safety, and Well-Being), Self-Sufficiency, and Quality of Life?*		*Care About Sustainability for the Next Generations?*	
	Yes	*No*	*Yes*	*No*
• Airlines				
• Food manufacturers				
• Car repair shops				
• Furniture makers				
• Entertainment parks				
• Shopping malls				
• Physicians				
• Dentists				
• Nurses				
• Local councils				
• Primary schools				
• Technical institutes				
• Schools and universities				
• Police				
• Fire departments				
• Power and utilities				
• Household appliance manufacturers				
• Pharmaceutical companies				
• Building materials manufacturers				

greatly. The accounting firm seemed to have a number of different clients who faced ruin, while their audit reports showed approval of all financial matters and conditions. The U.S. Justice Department's formal concerns caused public and corporate alarm, as well as a sinking of public trust.

While such disasters mounted, there were those within many of these same flawed and soon-to-fail organizations who either said they were already "serving the good of society" or that such a focus was not "real world" or possible.

When asked to demonstrate "doing good for society," the usual responses were about corporate giving or volunteer work, or vague references to customer satisfaction. There was no formal consideration of measurable high payoff results for external clients and our shared society. When asked why a Mega focus was not real world or practical, many shared their concern that others "would not buy it," or "they are not ready for such yet." The prevailing comfort zone was for a focus on Macro organizational good—and not a solid linkage to what organizations used, did, produced, and delivered with external value added.

When organizations respond that Mega is not part of their role, it is interesting to ask them whether they don't own what they do and its impact on the whole contribution. If people do not "own" the role and contribution to the larger contribution, then they are denying *both* the negative *and* positive consequences of what they use, do, and produce on the larger impacts.

Does it take financial collapse (and some possible jail time) to get people over their impractical and non-justifiable fears? What could be more practical and real world than helping one's organization to survive and thrive? Fear of something new and different is a powerful paralysis source. Success can be fear's alternative.

No longer can the old paradigm of "business is the business of business" be sensibly evoked with confidence or evidence. This outmoded approach doesn't point to a new reality of defining and achieving high payoff results—combining profits and organizational success with societal value added. This new reality is no longer an option but vital for organizational survival. A short-term focus on shareholder value alone does not serve anyone well. The single bottom line concept is now dead. We must use a two-level bottom line with a primary focus on societal value added.[15]

Informed Consent?

What else to do about Mega when you know it is right and your client doesn't? Answer: informed consent.

We often hear from those who understand Mega and believe it is extremely important to all parties "but my client isn't interested." Or "I know it is important, but my client will not be interested." We have even heard from some professionals at remaining large international consulting firms who say, "Yes, but there is no market for it yet."

What might be done when you must attempt to make a contribution and there is resistance to Mega internally or externally? Don't shrug off the requirement, for if things fail (and they usually will if Mega is ignored), you will likely be held responsible (just ask some of the previously respected companies in the early 2000s that faltered for not acting on Mega). We suggest taking a page from medical practice (which has become quite the target for lawsuits and blame) and provide and obtain informed consent.

Informed consent simply notifies a client that there are risks for moving ahead, and the risks are considerably higher if one does not link everything that is used, done, produced, and delivered to external and societal impact and consequences. Client is not interested? No perceived market for Mega? Concerned that the client won't understand and you will still be expecting to go ahead? Simply let clients—internal or external—know that there should be links with Mega. If they say "no," then the burden of proof of negative consequences shifts from you to them.

We note that the interest in, and commitment to, Mega is increasing. Your providing the professional and technical know-how will become increasingly valued. And safe.

SUMMARY

Paradigm Busting Guidelines

This chapter can be summarized in the following guidelines for obtaining high payoff results:

1. The world is changing fast and the implications for people's survival and quality of life are profound. Identify the practical implications for you and your organization. You can choose to be the masters of change or the victims of it.
2. The rules and procedures for living and working effectively are changing or have already changed. Countless old paradigms no longer work, but many will still cling to them despite their failure to solve today's problems. Challenge your mental models, beliefs, and values. Get out of your comfort zones.
3. Paradigms are powerful and difficult to change because they lock us in to rules and screen out new data that conflict with the "conventional wisdom" of the existing paradigm. When locked into the existing paradigm, you are often unable to perceive new data, even when it is right in front of you. Strategic thinking involves challenging existing paradigms: learn to think strategically using societal value added as the guide for all decisions.
4. Shifting paradigms can bring problems and opportunities that cannot be addressed by existing rules, methods, and reward systems. This discovery initiates the development or search for new paradigms that

fix the new problems. Look for new paradigms but evaluate their value. Define results before selecting methods.

5. New tools, techniques, and concepts are not always better (or appropriate) for solving present and future problems. Rushing to a new fad without adequate diagnosis of the problem is called "fadaholism." This rush to action can be just as bad as sticking with the existing paradigm—neither solve the problems. Some paradigms are worth hanging on to; fads are not.
6. Those who are most successful at present "common wisdom" are the most resistant to new "common wisdom." So it is the outsiders who create the new paradigms. Select leaders who challenge conventional wisdom.
7. Sometimes you have to "bust" the old paradigms, and sometimes you have to challenge and "bust" the new fads that might have been incorrectly called "new paradigms." Paradigms can provide insights in order to create and find solutions to new problems. But before a solution is selected, the desired results must be defined: build change on a sound Needs Assessment.
8. Strategic planning and thinking that is focused on societal and then internal results is the proven paradigm for creating and designing a better future for present and future generations. Conventional strategic planning—the old wisdom—has not been successful and has failed because it got bogged down in rituals about methods and means, and tactics (see Kaufman, 1998, 2000; Kaufman, Watkins, & Leigh, 2001). Use a proactive planning model; commit to adding society to conventional planning paradigms.
9. The paradigm for strategic thinking and planning best aligned with high payoff results is one that is responsive to the new realities in a proactive way. It is proactive because it involves all the partners, both from within as well as from outside the organizational walls, in creating systemic linkages among three levels of results in order to deliver high payoff results which contribute to

   - *Mega Results.* What sort of world do we want to create for the future? This is stated and defined as an Ideal Vision, a measurable statement of the kind of world we want to help create for tomorrow's child (see Chapter Four). This is the creation of miracles, designing the impossible, and evolving new paradigms of success that our shared futures depend on. It is "practical dreaming."

- *Macro Results.* What sort of outputs do we want to deliver to our immediate external clients? Will those deliverables contribute to the Ideal Vision and thus to Mega?
- *Micro Results.* What sorts of building-block results will individuals and teams contribute to internal clients (associates)? And will those results add positive value to the Macro and Micro results? (Figure 1.1 shows this progression.)

10. The implications of staying with old paradigms are potentially disastrous for individuals, communities, organizations, and the planet. We can be the victims of past and continuing failures, or we can plan to invent our world and work with others to create and design a better world.
11. The best way to start creating the future is to produce evidence that the present direction is unacceptable. We use a tool called Needs Assessment for this. Include rigorous Needs Assessments as a foundation for strategic thinking and planning.

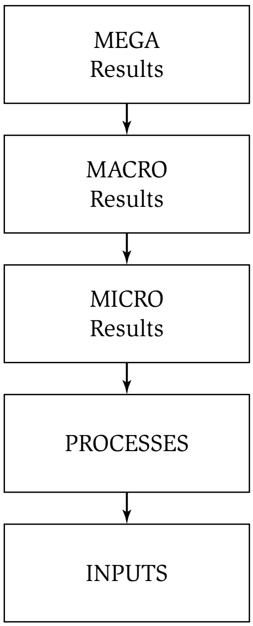

Figure 1.1. Progression from Mega to Inputs.

The Journey of Creation

This book takes you on a journey of discovery and design in order to define practical high payoff results. You will be given the tools and guidance to influence your own evolution and create and design a better world for yourself, your organization, your community, and tomorrow's child.

Notes

1. Don't be taken in by the "been there done that" syndrome simply because the concept received a lot of attention in the 1980s and 1990s. It is as basic and important now as it was then.
2. Success is measured by the problems that are correctly solved using the current rules and regulations.
3. The trick to learning a new paradigm is to set aside your current one while you're learning rather than attempt to fit the new knowledge into your existing model. It won't fit. Joel Barker has influenced our approach to shifting paradigms in the social sciences. We highly recommend the works of Joel Barker and Darryl Conner for straightforward and useful discussions of this vital concept.
4. Like the term paradigm, the term framing is related to how we construct and manage meaning. Whereas paradigms are often out of consciousness, the frames we use can be consciously chosen. Like the photographer captures reality through the lens, frame leaders can construct meaning through language. Gail Fairhurst and Robert Sarr (1996) present this concept in their book *The Art of Framing.* Skillful leaders can use framing to present their paradigms of performance.
5. Peter Drucker notes that we are getting better and better at doing that which should not be done at all.
6. See Pascale, 1990, p. 19.
7. The world economy is presented at a crucial point of transition in the long view scenario. The post WW II boom would be expected to have had an approximate fifty-year cycle with a twenty-five year upswing and a twenty-five year downswing. According to the theory, the new upswing wave and a shift to a new paradigm should be beginning about now. The convergence of communications and computer technology combined with rapid advances in other technologies is helping to create an exploding cluster of continuous change (see Kondratiev, 1935).
8. This article, along with another article by Harold Stolovitch in the April 2000 Special Issue of *Performance Improvement,* notes that less than 10 percent of everything that is learned in conventional training ever shows up on the job. And there are no estimates if what is mastered in training ever really adds value to the organization and external clients and society. These are pretty dismal results for something we know how to dramatically improve.

9. Our thanks to Professor Dale Brethower for this concept.
10. A more detailed description of the New Realities can be found in Kaufman (2000).
11. Malcolm Gladwell's *The Tipping Point* (2000) provides fascinating accounts of how ideas can spread like viruses, and details the attributes of those who are successful in spreading their paradigms. In addition, refer to *Virus of the Mind* by Brodie (1996) for a practical explanation of memes, and for more detailed research on memes refer to the book *Flow* by Csikszentmihalyi (1990).
12. Later, as we focus on the differences between ends and means, we spend considerable time on the conventional and unfortunate use of "need" as a verb. Such phrases that use need as a verb, such as "we need more people" or "we need to fire people," causes people to select the solution before knowing and documenting the problem.
13. These have been developed by Hugh Oakley-Browne with the discussion with Roger Kaufman to replace the conventional "SMART" objectives that fall quite short of helping deliver high payoff results. This is a good example of an older paradigm (SMART objectives) proving to be of little—and perhaps negative—value. SMARTER objectives are discussed fully in Chapter Seven.
14. Thomas and Clegg (1998, p. 369) believe that one of the most difficult paradigm shifts to make in business is to realize that the sole objectives of profit and growth are no longer sustainable as the ultimate objective of enterprise.
15. Some recent attempts to defuse the complexity (and perhaps regain some personal comfort) of Mega is to split off pieces of it, such as "a third bottom line" that is being offered in some parts . . . the third bottom line being the environment. The environment, to be sure, is important. But so also are the other dimensions of Mega, so it is vital to focus on all of the aspects of Mega and assure that they are individually and collectively addressed.

    There has been a recent tendency of some to recommend a "third bottom line" of adding environmental impact to organizational accountability. While such a consideration is important, it is deceptive in that it tends to splinter Mega into pieces rather than viewing the societal bottom line as an integrated "fabric" that includes the impacts of environment, health, and economics, among other variables. The use of this suggested "two bottom lines" includes the environment along with other organizational responsibilities instead of simply focusing on one of several important and interacting dimensions.