The Impact of Immunity to Change on Leadership Effectiveness and Business Performance

By Dave Osh

An executive team doubled its leadership effectiveness and improved its business performance by concurrently overcoming the team members' individual and collective Immunity to Change.

Why it matters: Senior leadership teams struggle to lead rapid transformative change even when they are all committed to the change, and when such efforts fall short, they relate the failure to external factors.

The big picture: Change effort that requires a collective change of behaviors, or change of culture, often fail because executive teams are unaware of their subconscious self-protecting counter commitments that get in the way of accomplishing their transformation goal.

Case study #1:

A med-tech company was burning cash too fast by attempting to generate high growth. Despite higher sales and marketing investments, growth rates declined from 60% to 20% to 9% from 2018 to 2020.

Parallel efforts of this 10-year-old startup to sell the business to a larger medical device player yielded no results, to the disappointment of the team and the board comprised of VC firms.

Alarmed by the shrinking growth, the most prominent VC warned the CEO that his firm might not continue to invest in the company.

The CEO was highly stressed. "I lost faith in the company, the team, and myself," he told me when we first met.

Eighteen months later, investment banks were competing in offering to fund the company towards a potential IPO.

1

During 18 months of coaching the leadership team, they worked on overcoming their personal and collective Immunities to Change.

The team improvement goal

The team identified a few critical improvement goals they believed were important for their growth:

1. Shift from an internal to an external focus on the external stakeholders in the complex health care eco-system of hospitals, insurers, surgeons, and patients
2. De-silo the highly compartmentalized organization, such as product, regulatory, marketing, sales, operations, and finance)
3. Achieve sustainable profitability to reduce and even eliminate their dependency on funding.

The team believed that the first two goals were more technical than adaptive, and they moved quickly to execute without mapping their ITC.

- They conducted a stakeholders survey to learn more about the ecosystem
- They expanded the group and individual coaching to the second-tier leaders for one year to break the silos among those leaders.

The third goal had strong adaptive nature because it felt for them completely impossible to accomplish, despite the strong conviction of the existential threat to the company.
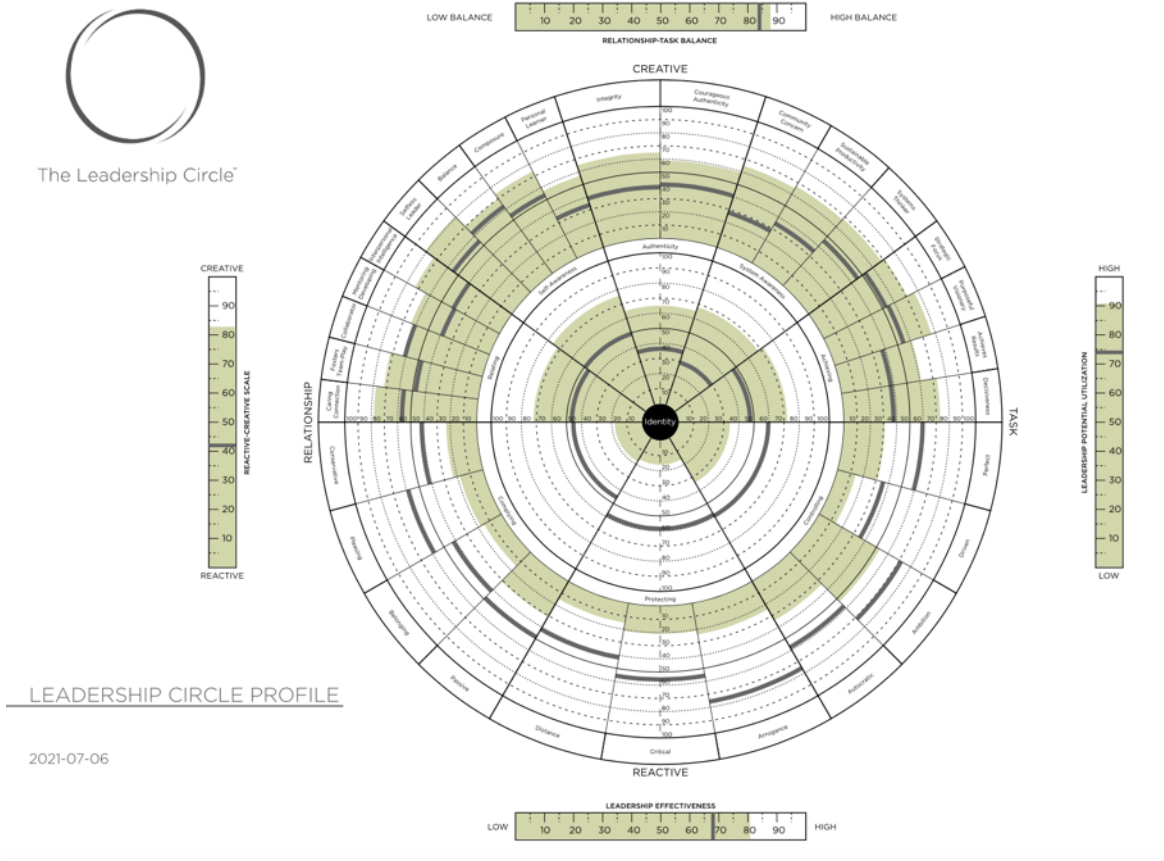
The Immunity to Change intervention helped the executive team to find their Big Assumption. They assumed that they couldn't grow or survive without VC funding. As a result, they had never planned to build a profitable business.

At the same time, the team members developed their personal ITC maps to support the team's goal.

They identified the counterproductive behaviors that got in the way, the subconscious fears, hidden commitment, and the Big Assumptions that were driving these counterproductive behaviors.

The executives shared with each other their improvement goals, and together they set sail to test individually and collectively their Big Assumptions.

They were experimenting with small changes that, over time, have grown into collective alignment, swift decision-making, and rapid execution of what seemed mission impossible just a few months earlier, all in the shadow of the COVID-19 crisis in the healthcare industry.

Over 18 months, the leadership team of five executives almost doubled their collective Leadership Effectiveness from the 43rd percentile in August 2019 to the 81st percentile in January 2021. That's 88% growth!

Here is the senior executive team's collective Leadership Circle Profile ™ before and after the transformation.

August 2019

Over these 18 months, the executive team increased the company's growth profit margin from 68% to 82% and reserved cash through a few strategic business and organizational changes, such as a new sales compensation plan and new contract manufacturing overseas.

The executive team has grown the business against all odds. The team attributes its success to overturning the Big Assumption they held. Specifically, the one that they couldn't grow without VC funding in the complexity of the healthcare industry.

The executive team members also made enormous strides in overturning their individual Big Assumptions and overcoming the Immunities to Change that held back their leadership effectiveness and business performance.

Senior VP of Sales

The executive under the most pressure during this time was the VP of Sales. Here is his LCP before ITC.

August 2019
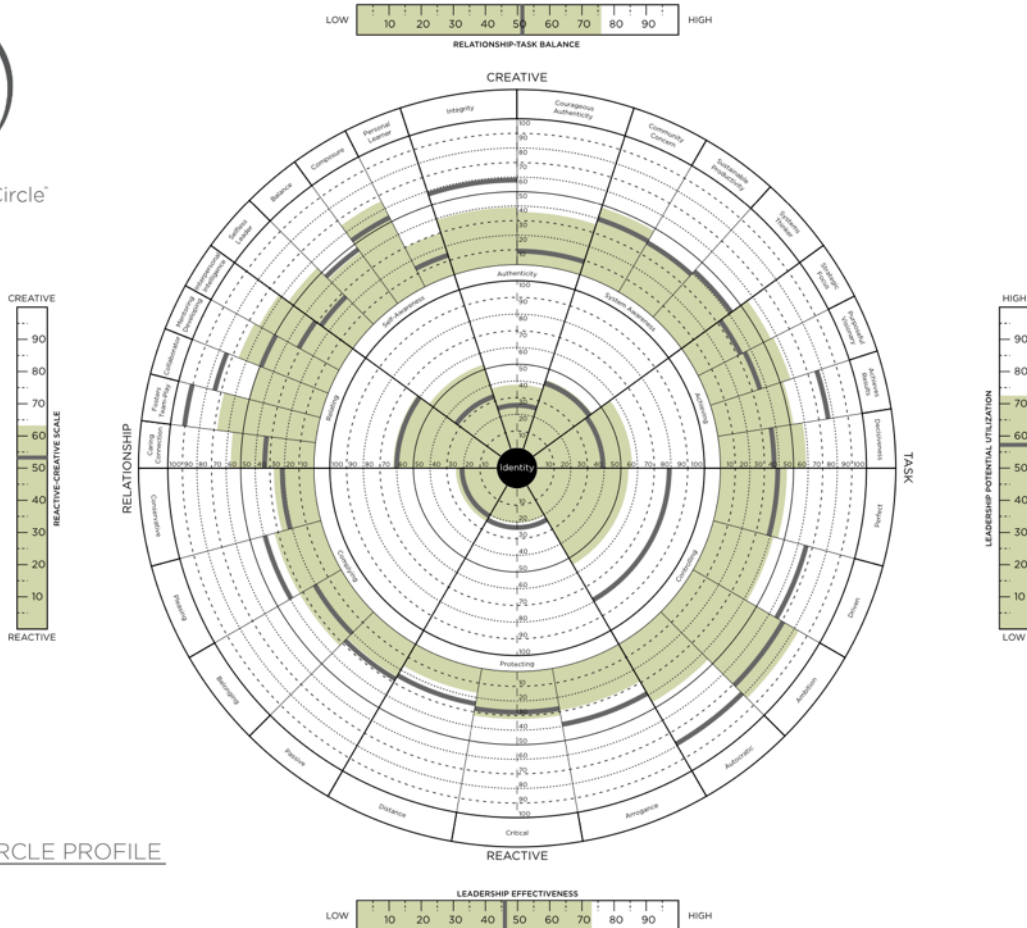
The Senior VP of Sales wanted to increase his systemic awareness and tune to voices he hadn't cared to listen to before.

Throughout mapping his ITC and testing his Big Assumption, he learned that he wasn't tuned to the organizational calling to take care not only of the company's top line but also be responsible for the bottom line.

That realization alone changed the way he was leading and how he allocated the sales organization budgets.

VARLINX

1. COMMITMENT (IMPROVEMENT GOAL)	2. DOING/NOT DOING (VS.#1)	3. HIDDEN COMMITMENTS	4. BIG ASSUMPTION
I'm committed to getting better at seeking to understand the systemic POVs before I make rapid judgements calls especially when people don't align with my values or expectations.	Not getting deeply involved when there is a lack of interest. Ignoring the needs of others. Avoiding significant conflict. Jumping to conclusions without understanding the impetus or motivation behind it. Not addressing issues until they erupt in a reactive way. Not digging into areas I should have deeper knowledge of. Not inquiring why someone chose to approach a situation the way they did.	WORRY BOX: People I care about would abandon me; feeling guilt; let people down; losing balance; feeling embarrassment; losing confidence; downward spiral; wasting time; low performance; interrupting natural healing process; losing productivity; Resentment I'M ALSO COMMITTED: Never losing team members Not feeling guilt Not letting people down Never being out of balance Not being embarrassment Never lose confidence. Never let thing go downward spiral Never interrupt what can heal naturally Never lose productivity Not being resented	If I inquire, I lose my spot at the table. If I'll get involved in the details, I'll lose my people (and we won't recover.)

minds at work

Eighteen months later, his Leadership Effectiveness grew from the 73rd percentile to the 93rd percentile, and the Reactive-Creative Scale increased from 63% to 94%!
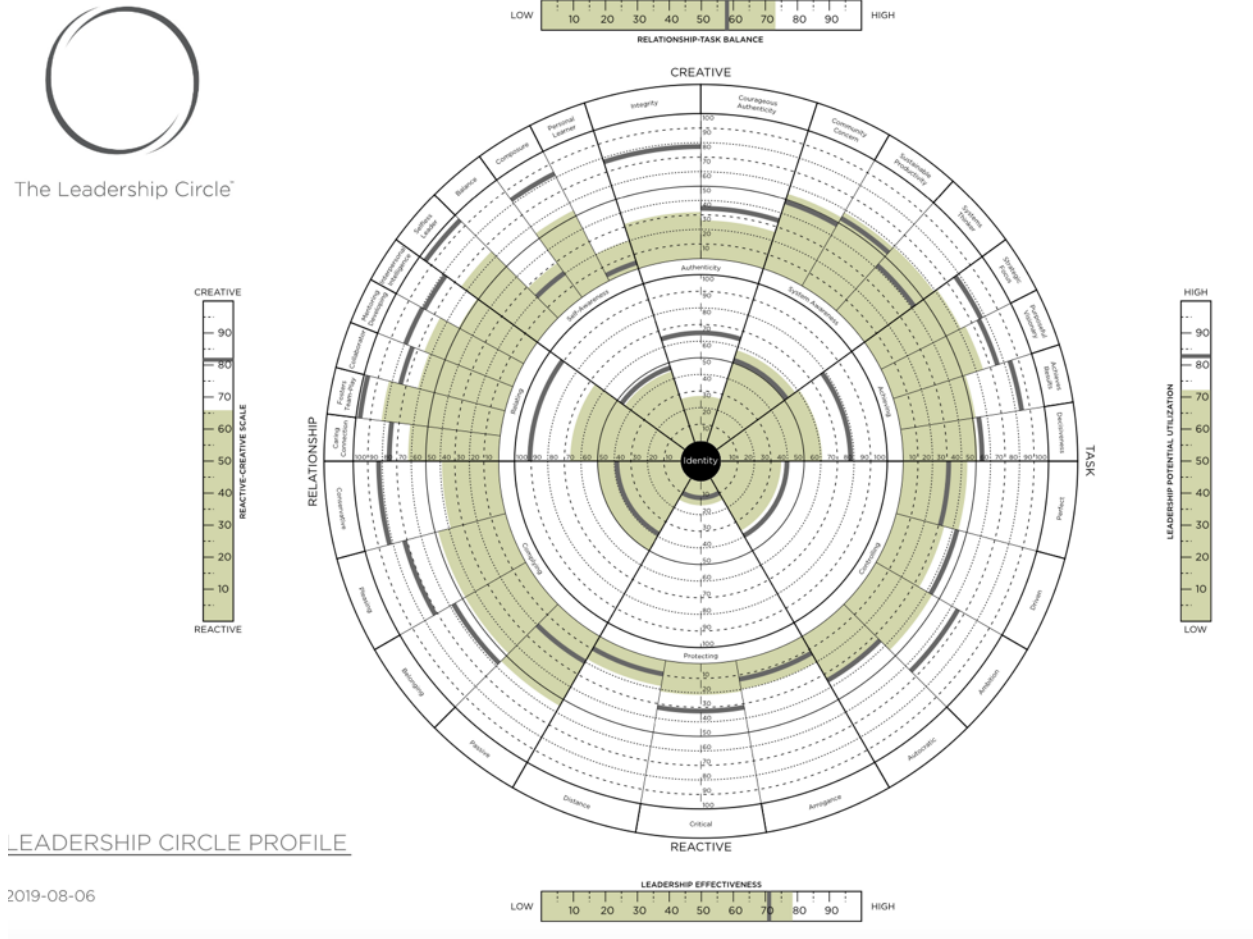
January 2021

The Leadership Circle

LEADERSHIP CIRCLE PROFILE

2021-01-23
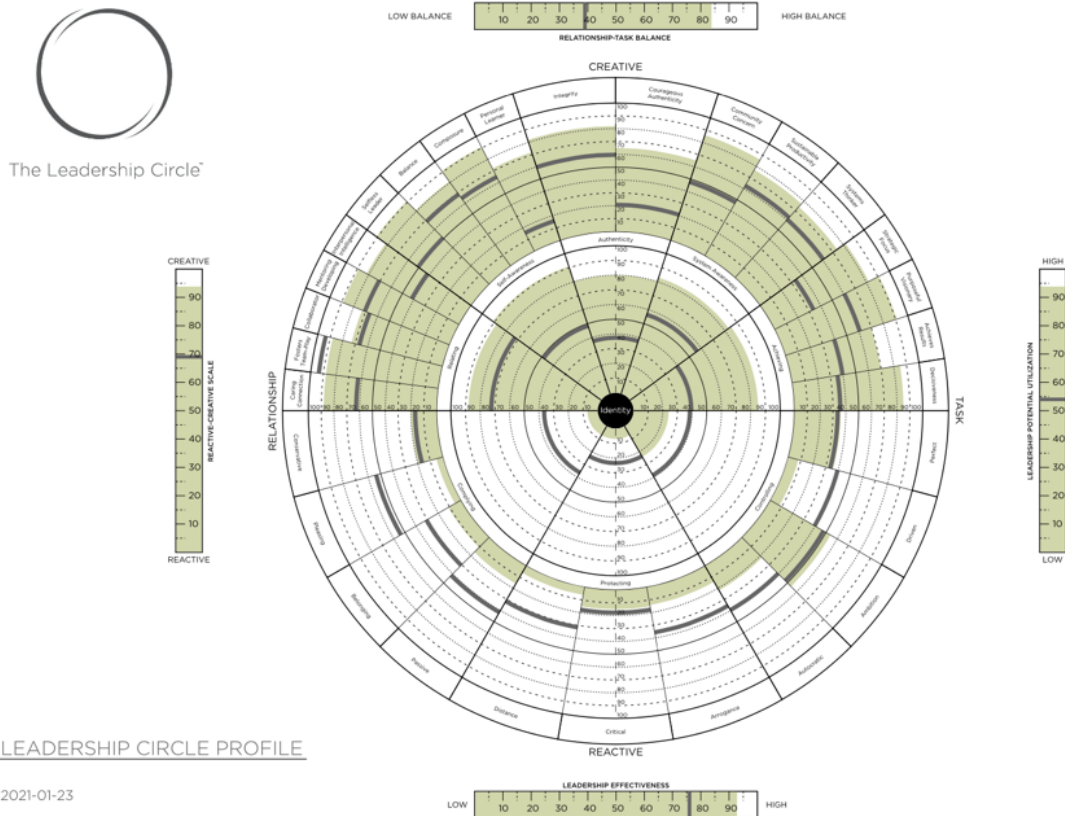
Senior VP Market Access

The Senior VP of Market Access was promoted to his role two months after taking his first LCP:

August 2019

The low scores of Courageous Authenticity and Integrity bothered the SVP very much. He thought of himself as a person of high integrity and authenticity.

He decided to take this challenge head-on, believing he would transform all the other leadership domains if he became courageously authentic.

Mapping his Immunity to Change, he discovered that the Big Assumption that limited his capacity was that he would have ruined his relationships if he addressed the elephants in the room.

IMMUNITY TO CHANGE MAP

| 1. COMMITMENT (IMPROVEMENT GOAL)	2. DOING/NOT DOING (vs #1)	3. HIDDEN COMMITMENTS	4. BIG ASSUMPTIONS
I am committed to getting better at addressing the elephant in the room 5/5 - it will create alignment and harmony on the team	Avoiding uncomfortable conversation Agreeing when I don't fully agree Acquiescing when I get a push back Give up for the sake of peace Allow areas of disagreement to go unaddressed Not fully expressing my thoughts for the sake of harmony	**WORRY BOX:** Broken relationships; Retaliation, loss of job, loss of status; Never being able to resolve and move forward. Stuck. No progress. Wasted effort. Pain. Bad day. No fun. Unenjoyable work. Perceived as arrogant. Not being willing to work together. People won't like me. **I'M ALSO COMMITTED TO:** Never break relationship Never being retaliated Never lose my job Never lose status Never being unresolved Never get stuck Never waste effort Never bad day Never unenjoyable work Never being arrogant Never being not a team player Never being unloved	If I address elephants in room then it will cause more trouble (work, friction, loss of support) for me If I address elephants in the room, then it will cause broken relationships If I address elephants in the room, then too much energy will be expelled limiting my ability to do other things. If I address elephants in the room, then it causes unhappy emotions for me and others.

© Minds at Work

The improvement goal was crucial because he faced the same challenge at home with his teenage kids. Even his wife confirmed, to his complete shock, that he wasn't a risk-taker.

The SVP experimented with changing small behaviors, starting with his team and slowly expanding his new behaviors to the senior leadership team and the board.

Fast forward 18 months, retaking the LCP, the SVP Market Access more than doubled his Authenticity from the 28th percentile to the 70th percentile.

The other Creative domains also increased significantly despite the significant expansion of his role, adding a clinical study with customer-facing enrollment goals and a multi-million budget.

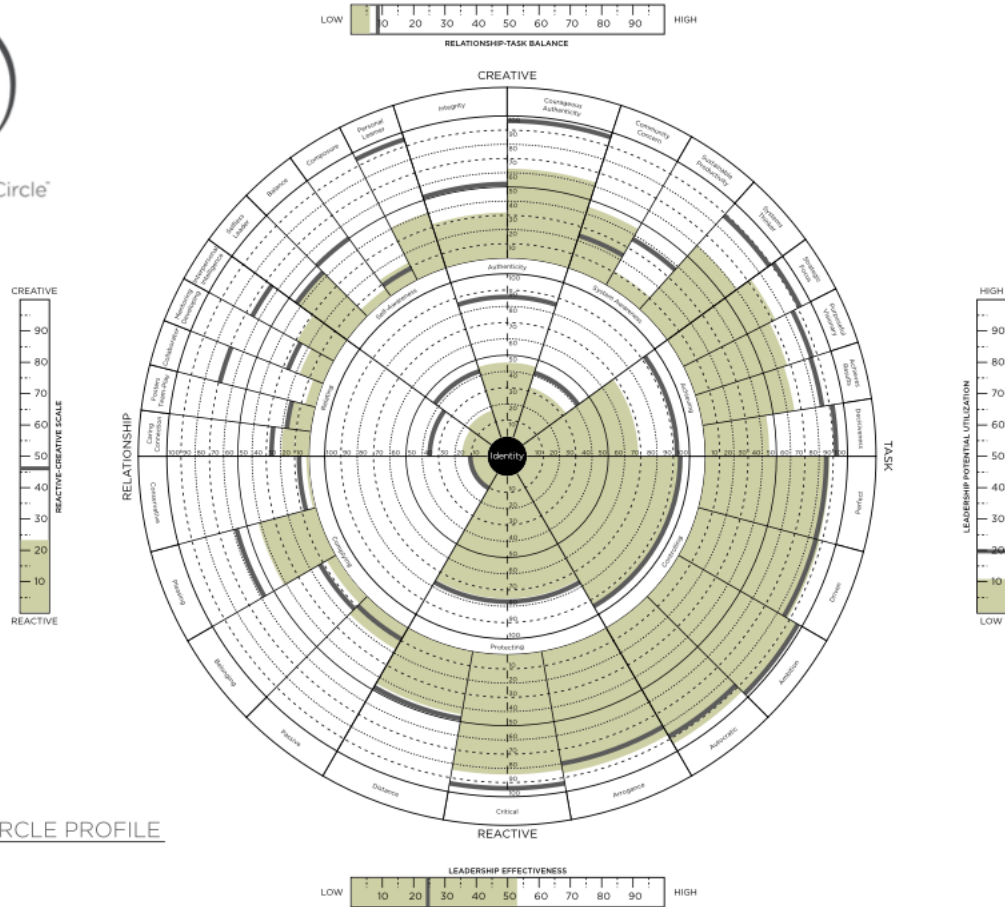The Leadership Circle™
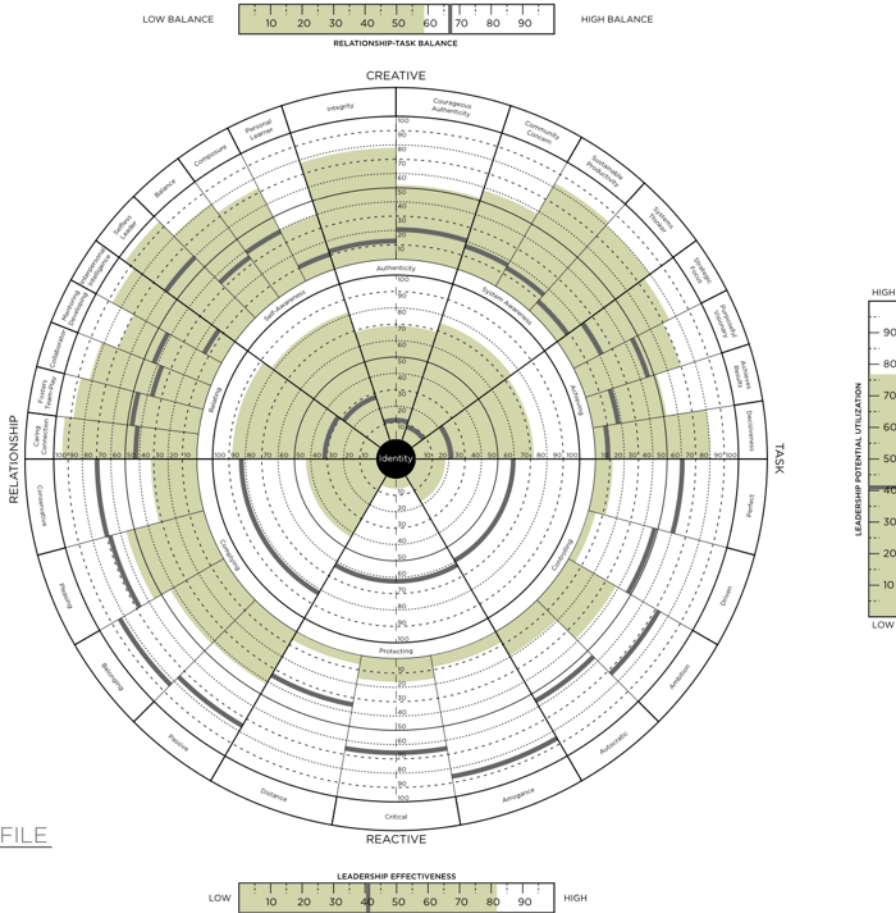
LEADERSHIP CIRCLE PROFILE

2021-01-23

The CEO

The CEO of the same company is a highly ambitious visionary leader. However, these beautiful gifts also got in the way of high performance when he leveraged his charismatic force to drive the leadership team and the organization toward his desired outcomes without considering all points of view.

The CEO quickly came to acknowledge that before he could transform his organization, he had to transform himself, beginning with his mindset. He had to learn to empower and trust his team.

Here is the first CEO's Leadership Circle Profile:

The Leadership Circle™

LEADERSHIP CIRCLE PROFILE

2019-08-06

The CEO did not shut people up or block differing opinions. The team members avoided confronting his perspective because his aggressive behavior diminished their will to take a stand. They didn't want to challenge the CEO's authority.

The LCP showed a Controlling high tendency at the 95th percentile in tandem with a Protecting high tendency at the 80th percentile. And these high Reacting tendencies got in the way of relating to people and barred his Leadership Effectiveness to the 53rd percentile.

Once the CEO realized that people held back their opinions because of his Controlling behaviors, he started focusing on collaboration, teamwork, and connection. He began to ensure that he heard every voice.

The CEO made a concerted effort to adapt his attitude from certainty to discovery by acknowledging different points of view. He also moved from an authoritarian stance to one of willing collaboration.

His ITC map was as follows:

IMMUNITY MAP

1. COMMITMENT (IMPROVEMENT GOAL)	2. DOING/NOT DOING (VS.#1)	3. HIDDEN COMMITMENTS	4. BIG ASSUMPTION
I'm committed to getting better at delegating (let go) tasks I have already mastered. 5 /5 I will be able to give my time & energy to the people I value most and activities I enjoy and help me grow so I can live an adventurous, fulfilling, and purposeful life.	Lashing out at people when they don't do what they said they would do. Resenting people for past "failures" and not forgiving Fixing other people's work when they don't meet my expectations. Rushing others to meet my schedule. Getting stuck in the weeds and taking too much time on things Not setting boundaries for time or commitments. Not starting/stopping on time	WORRY BOX: Failure; loneliness; not good enough; misunderstood; make bad decisions; won't be loved; feel restricted; no spontaneity/freedom I'M ALSO COMMITTED: Never fail Never feel lonely Never feel not good enough Never make bad decisions Never been unloved Never feel restricted Never feel caged without spontaneity/freedom	If I'm delegating, people won't do it as good as me If I'm delegating I won't know what I'm talking about. If I let go of some tasks, I won't add value to the company. If I need to delegate, I'm not good enough.

minds at work

His improvement goal was delegating things that he was good at to better collaborate with others.

He identified a few Big Assumptions that sustained his immune system and drove the hidden commitments that generated counterproductive behaviors.

He started testing these assumptions in small safe experiments that slowly shifted from Controlling to Collaborating.

At the same time, other team members who withheld their ideas came to understand their own hidden fear of failure and assumed risks to their identity and self-worth. These team members recognized their passive behaviors and tapped into their sense of integrity and courageous authenticity to become highly effective team members.

Once all the team members shifted from their Reactive tendencies, the team could move faster than ever before.

11

The Team Effect

The team started openly discussing "the elephants in the room" they had never dared to address back. Team members shared with their peers their improvement goals and started to hold each other accountable if they fell short of their commitments.

The team began to create a new company culture where the creative mindsets of discovery, partnership, and abundance took precedence over the fear of failure.

The Organizational Effect

In June 2021, the executive team invited their direct reports to join the leadership development program. To my astonishment, the LCPs of the two mentioned SVPs' direct reports scored with the highest Leadership Effectiveness and Creative competencies, lowest Reactive tendencies, and most balanced Task-Relationship among the company's second-tier leadership.

The Leadership Effectiveness of the direct reports was highly correlated with the executives to which they reported. The most effective leaders develop the most effective team members.

Case study #2

Our experience with another company showed us again that leveraging the Immunity to Change framework for organizations, teams, and individuals yields significant results faster.

The leadership team of a global software services company with members located in the USA, Latin America, Asia, and Europe developed their ITC map.

With the growing complexity in their markets serving some Fortune 50 companies, they believed they were not moving faster enough, and the more they pushed themselves, the harder it got.

They realized that their counterproductive behaviors were generated by hidden collective commitments never to be wrong, never be judged, and never lose the unity they had as a team.

12

1. COLLECTIVE IMPROVEMENT GOAL	2. WHAT WE ARE CURRENTLY DOING/NOT DOING INSTEAD	3. COLLECTIVE COMPETING COMMITMENTS	4. COLLECTIVE BIG ASSUMPTIONS
WE ARE COMMITTED TO GETTING BETTER AT: **Making faster decisions when we come together** Craft purpose and outcome for meetings Aligning behind a vision and single solution vs taking pieces of all and trying to merge them.	NOT Good Listening NOT Seeing the bigger picture Not aligning with the majority decision Looking to gather more information Not discussing the "elephant in the room" Prioritizing based on individual needs Not following guided principles	**Worry Box** Being wrong; being judged; lose credibility; overworked; not meeting expectations; not being, able to resolve the big picture; not been respected; Missing something; irreparable damage to the group unity; start all over again; stuck in the box; **WE ARE ALSO COMMITTED:** Never being wrong Never being judged Never lose credibility Never overworked Never meeting expectations Never being able to resolve the big picture Never not been respected Never Missing something Never creating irreparable Never damage to the group unity Never start all over again Never stuck in the box	If we make fast decisions, we will damage the group unity If we make fast decision, then we will be judged If we make fast decisions, then we wont be able to resolve the big picture

minds at work

Their Big Assumption was that if they made fast decisions, they would damage the team's unity.

They decided to test their assumption. They created a pilot sub-team that worked on their ITC individually and collectively, making fast decisions without needing the senior team's consent.

Testing the Big Assumption on a small scale was a success. They disconfirmed their Big Assumption. They found that moving faster and even de-facto breaking the team didn't break their unity but enhanced it.

As a result, they did a full-blown reorg in which two of the pilot leaders who were back-operators took the lead of two major P&L divisions.

Senior Director to Vice President #1

The pilot team took the Leadership Circle Profile in February 2021. The first Senior Director was dumbfounded when he saw his Leadership Circle Profile.
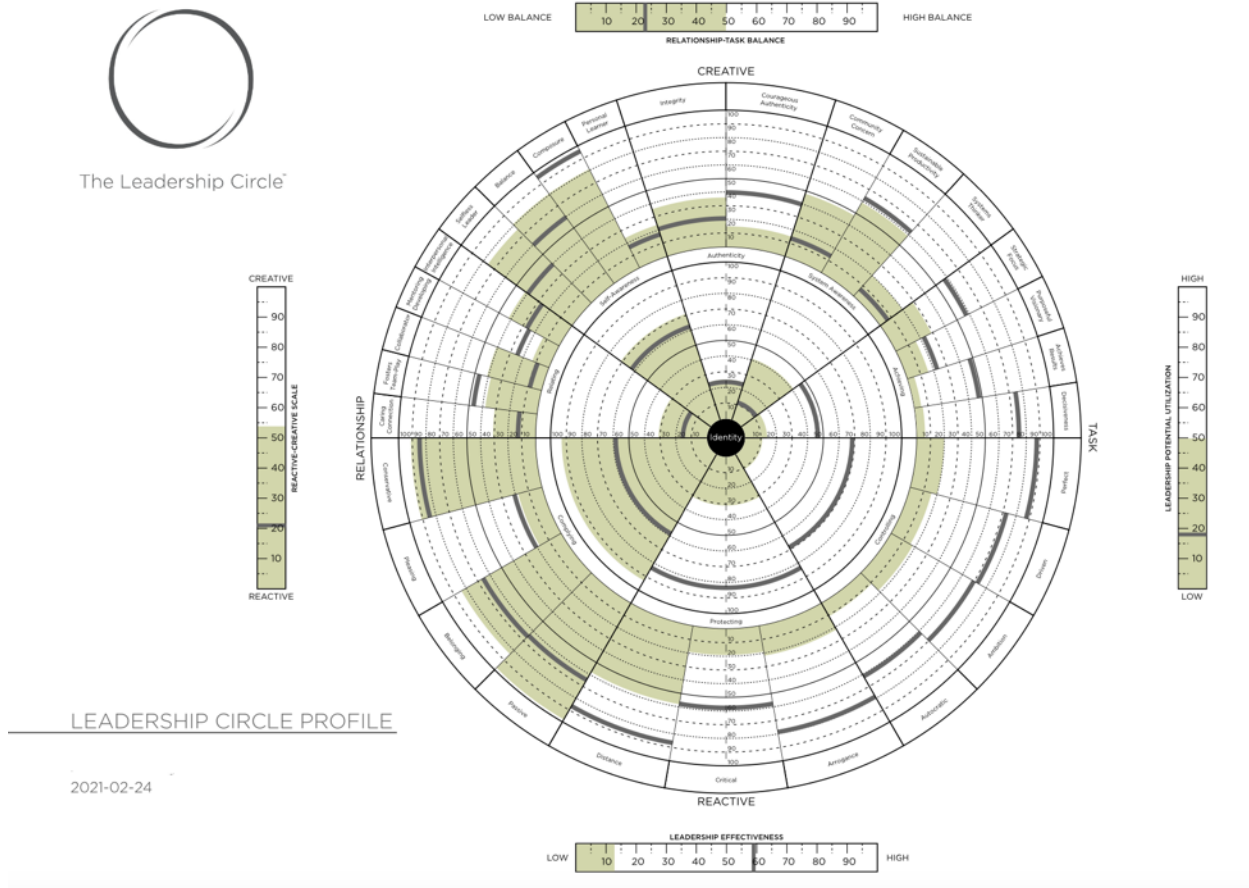
His Leadership Effectiveness was at the 13th percentile, and his Passive tendency was almost at the 100th percentile, with high Complying, Belonging, and Conservatism.

His Achieving score was at the 12th percentile score. He didn't believe he would survive long with such a performance.

Six months later, instead of losing his job, he was promoted to Vice President, leading a customer-facing division with P&L responsibility.

How has this happened?

That's the power of Immunity to Change in conjunction with Adult Development. The LCP signaled that the Senior Director defaulted to what Robert Kegan named Socialized Mind, in which identity depended on affirmation and behaviors conform to the group.

IMMUNITY MAP

1. COMMITMENT (IMPROVEMENT GOAL)	2. DOING/NOT DOING (VS.#1)	3. HIDDEN COMMITMENTS	4. BIG ASSUMPTION
I'm committed to getting better in addressing issues directly without smoothing them over at taking high risk initiatives in my I interact with people and avoid Avoid the hard things people	Avoiding the hard conversations Not speaking up when I have something to say Working alone rather than with other people Disassociating myself from my position when others dismiss it ("it is theirs to deal with for better or worse") Not reaching out unprovoked Not acting when I want to act Not following up and following through with people	WORRY BOX: Wasting time Being rejected Been dismissed, Seen as needy Miss deadlines Lose my job I'M ALSO COMMITTED TO: Never waste my time Never being rejected Never being dismissed Never seen as needy Never miss deadlines Never lose my job	If I address the hard issues and being dismissed, I'm worthless. If I'm rejected I'm not intelligent enough If people see me as needy, they will avoid me

minds at work

The Senior Director's goal wasn't only adaptive but also transformative because it was grounded in the next level of the Self-Authroing Mind.

Changing the behaviors that work against the goal of addressing tough issues could have been very challenging and time-consuming.

However, when he identified the fears that drove those behaviors, he found the immune system that gripped him.

His subconscious commitments to never being dismissed, rejected, and seen as needy were getting in his way.

His deeply-held Big Assumptions were that if he addressed the hard issues, he would not only be dismissed but also seen as unintelligent and unworthy.

It was unacceptable for this super-smart Stanford graduate in his mid-fifties until he put it to the test.

He started tackling hard conversations at home with his college kids, then with his wife of 25 years, and then with his friends. He disconfirmed his Big Assumptions and soon expanded his new behaviors into the boardroom.

Sixteen months later, he retook the Leadership Circle Profile. Here are the results:
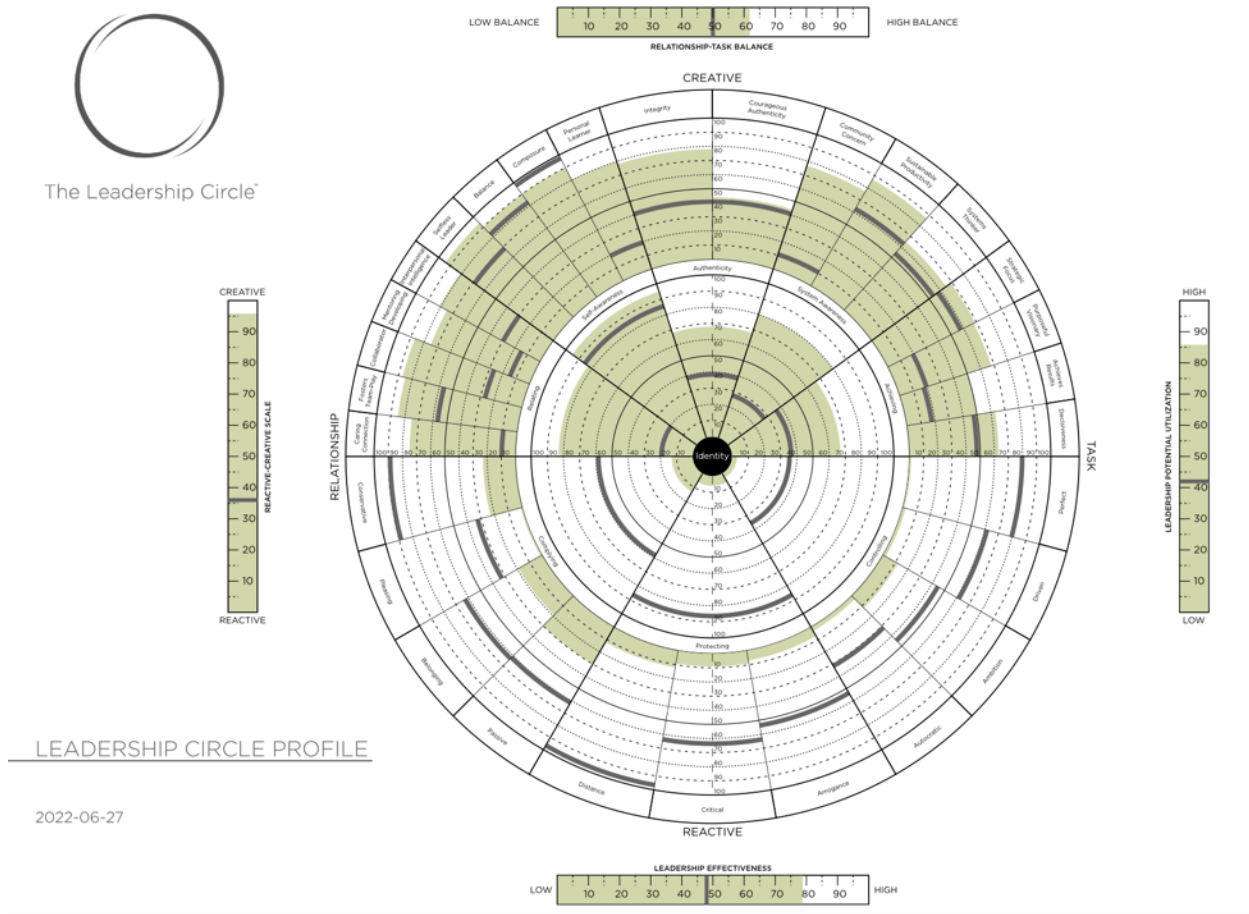
Yes. I know what you are thinking. It's impossible. I thought so, either. But this data is hard to dispute.

Three hundred sixty assessments are sensitive to context, and there was a major change in context because he was promoted from Senior Director to Vice President. However, the context became even more challenging, and you would expect a drop in Leadership Effectiveness because he was leading a new team and responsible for the top and bottom lines.

His Leadership Effectiveness skyrocketed from the 13th percentile to the 78th percentile. His Complying tendencies dropped from the 91st to the 12th percentile. All his Creative competencies were high (above the 66th percentile).

The other Senior Director's journey wasn't that rosy.
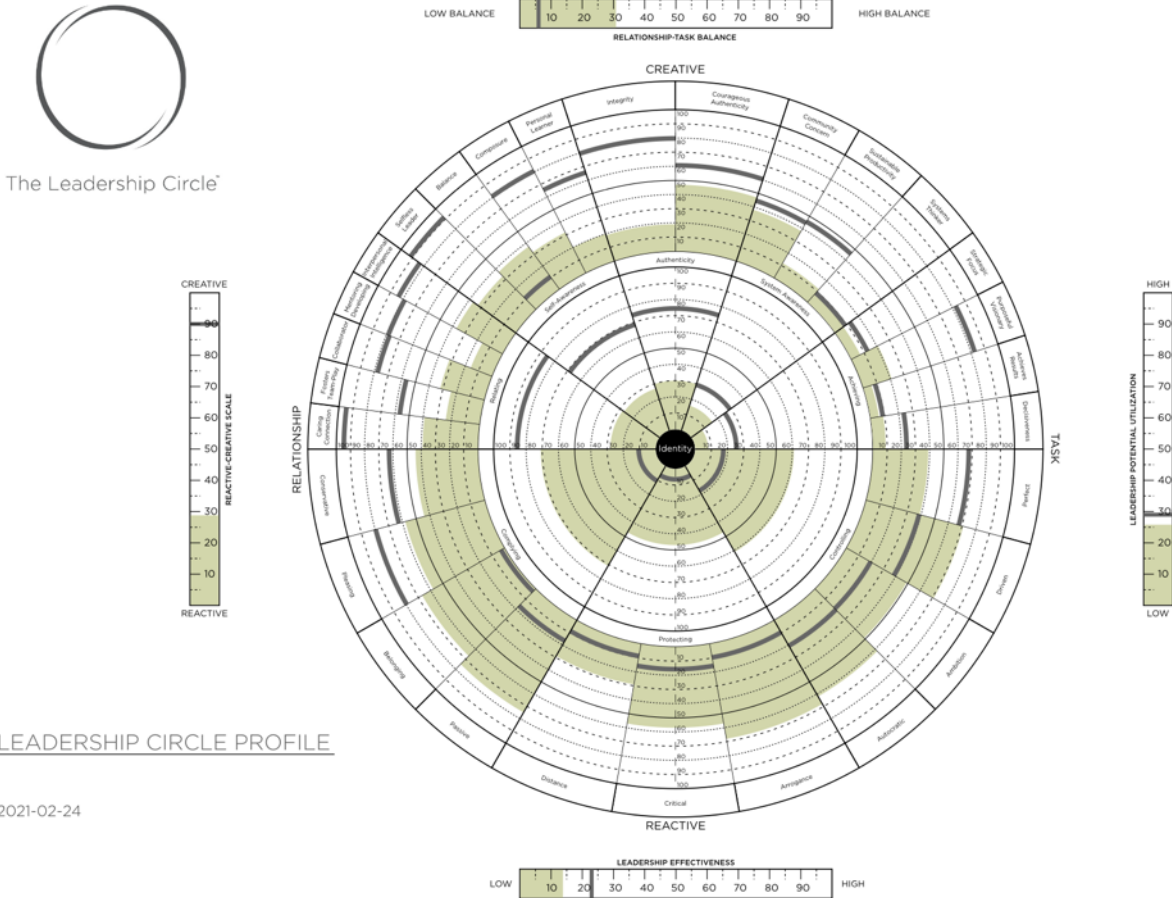
The other Senior Director''s LCP also had very low Lederahsip Effectiveness at the 14th percentile but with Reactive high tendencies across the Controlling, Protecting, and Complying.

This leader's Creative Achieveing was below the 10th percentile. Still, the CEO, unaware of any of these leaders' LCPs, promoted him to VP, leading a smaller P&L unit.

This leader worked on a less adaptive and more technical goal. It wasn't developmental from the context of adult development. But unlike the first leader who didn't just 'get' the immune system but tested the Big Assumption, this leader 'got' the immune and decided it was enough to overturn it without testing.

17

1. COMMITMENT (IMPROVEMENT GOAL)	2. DOING/NOT DOING (VS.#1)	3. HIDDEN COMMITMENTS	4. BIG ASSUMPTION
I'm committed to getting better at pausing to identify root cause and risks before I follow through with the execution.	Waiting for the problem or crisis to resolve itself Taking the easier path Improvising when deeper thought needed Reacting too fast Not delivering on my promises Not following through Not asking preemptive questions	**WORRY BOX:** Things will get worse, crisis will get out of control, fear of failure, seen incompetent, disappointing others, unsatisfactory delivery, seen unworthy, being successful, lose respect of others **I'M ALSO COMMITTED TO:** Never let things get worse Never let crisis get out of control Never fail Never seen incompetent Never disappoint others Never deliver unsatisfactorily Never lose respect by others	If I pause to think, things will get worse and crisis out of control If I pause, I'll be seen incompetent If I don't act fast, I won't deliver satisfactorily

minds at work

Sixteen months later, this leader retook the LCP, and here are the results:

June 2022 - Vice President #2

The Leadership Circle
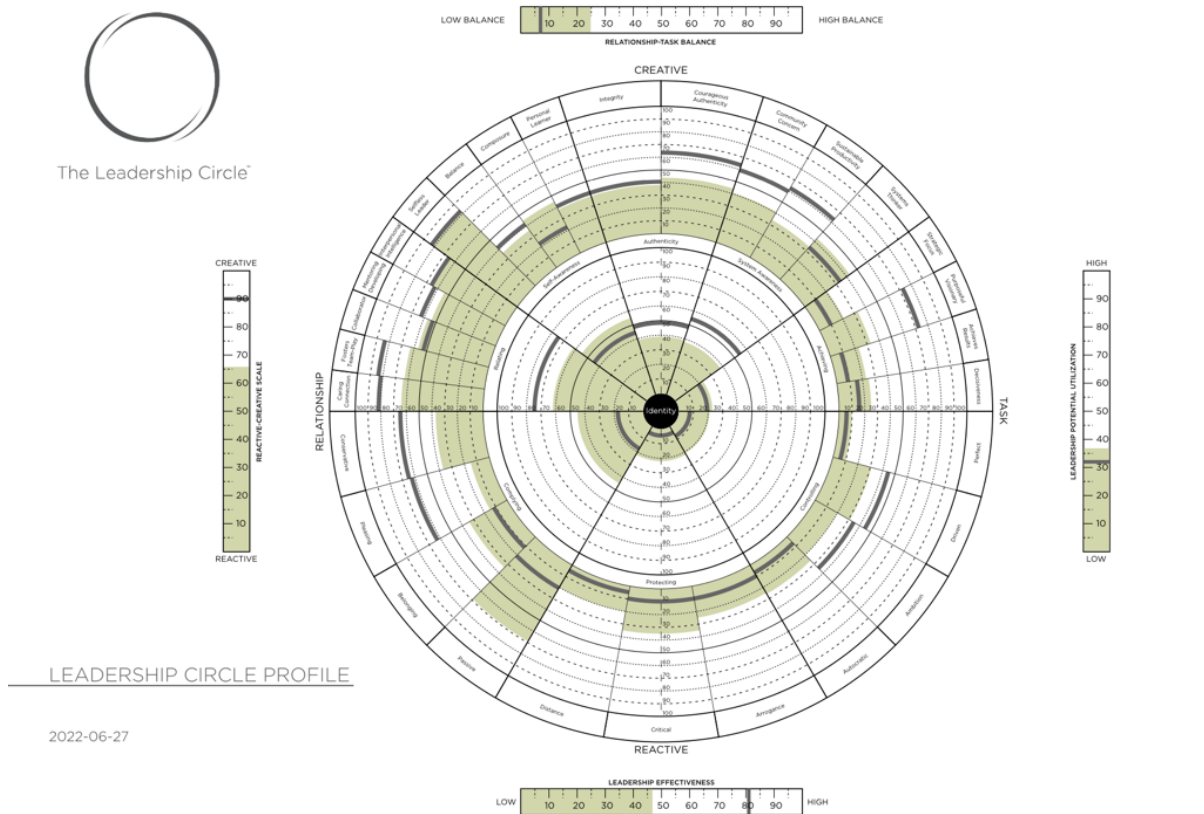
LEADERSHIP CIRCLE PROFILE

2022-06-27

18

Well, juxtaposed to the previous leader, he didn't accomplish as much in this short time. And yes, transformative change takes months or years to achieve. It's not for the impatient leader.

But even these "unimpressive" results were quite significant just by being aware of the Immunity to Change, despite not overcoming it.

He boosted his Leadership Effectiveness from the 14th percentile to the 47th percentile. His Reactive tendencies shrank significantly, especially Controlling and Protecting. Only the Passive tendency still gets in the way of Creative behaviors, especially Achieving, which is crucial in his new VP role.

The Bottom Line

Immunity to Change is a robust process for transformative developmental change.

However, mapping the immunity isn't enough. The real work of overcoming one's Immunity to Change is the continuous testing to disconfirm the Big Assumptions.

When we overturn our assumptions, we perform our new desired behaviors, at first consciously and later unconsciously.

Deep work with a developmental coach, and even better with an Immunity to Change Certifed Coach, can help accelerate the process and achieve better results given that you are fully committed to the transformative change.