



Rough Guide to Organizational Change

Rupert Hucker



Rupert Hucker

Picture the scene: you're a senior leader in a large global company, you probably have numerous physical assets all over the world and tens of thousands of bright, ambitious, highly educated and rational employees.

Through mergers and acquisitions, the organization you're leading has pulled a diverse collection of companies and cultures under one banner. That has brought huge challenges as well as great opportunities. You've personally enjoyed some big wins in the past and have learnt how to lead successfully in some complicated situations. You have beaten adversity before.

But things don't get any easier. With the spectre of corporate governance looming, you recognize the need to put in place more effective standards and frameworks. At the same time you realize that over-control may disengage your people. Meanwhile City analysts are looking for something new, having lost faith that steps taken in the past such as acquisition or cost cutting will still create sustainable value. So what do you do? How do you take a big step in the right direction?

We believe success in this new context requires a new stance on leadership. What mostly worked well in the past - clear strategy, wise decision-making and a tough focus on the numbers - is now taken as standard by the market and discounted. What you really need to do is change the way your people think and behave across the board. You need to achieve effective leadership and teamwork at all levels.

The challenge is not a new one. However, we believe there is a growing body of evidence that suggests a new paradigm in organizational change: a complicated set of principles needs to be applied in order to succeed. Miss out even some of these aspects and success may pass you by. These principles of how to engage your whole organization can be summarized into three key points:

- 1 **Create an emotional connection to the journey:** because people are influenced far more powerfully by their desires than they are by other factors such as authority, rationality or repetition. And our desires are driven by our emotions.
- 2 **Understand the important pre-requisites for learning:** because ultimately the thing we desire most is the joy of learning from success. But as we grow older and more successful, we find it ever harder to learn and apply new things.
- 3 **Understand the skills of successful implementation:** because people only really learn when they are winning through real challenges inside their own organization. So it follows that this learning can only happen when an organization becomes really good at implementation.

Underlying these three points are some major implications key principles that we believe are important for an effective leader to know and understand.

Creating an emotional connection to the journey

If your organization is to change for the better then, ultimately, your people must do the changing. Getting people to change has one critical first step - you need to persuade them to want to change. The only way to avoid this step is to miss the people out altogether - say by having consultants do the change for you. But this cannot lead to any increase in skills in the organization so your improvements will not be sustainable.

For people to want to change, they have to personally connect with the objectives you are trying to achieve, emotionally as well as rationally. The first step in this process of engagement is to create a powerful vision of what you are trying to achieve.

But companies often get this step wrong. Communication of the vision for a change programme is reduced to a publication of the high-level numbers the initiative is supposed to achieve, or to a mission or vision statement.

Alternatively, it is depicted as a plan so carefully devised that success is assured from the start - or conceived as a target all too readily achievable.

The problem with all this is that the communication either has no meaning at all to most people's roles or depicts a march to success that just does not match with people's experience of current reality or of previous involvement in organizational change.

The key point is that for a vision to be shared it needs to build rich context for the people receiving it. A highly polished mission statement does not build rich context.

What is much more meaningful is simply to tell your people the story of what has happened to get us here, and what we think the future looks like.

If you communicate the vision as a story, as a journey that the business is making that has some history as well as an objective, and some failures as well as successes, there are two benefits.

First, an image of what the business is trying to achieve is projected that is believable, because it acknowledges a reality that people will recognise. Second, it paints a picture of success in which it is much easier for people to imagine a role for themselves. In telling the story, your leaders are also able to disclose something of their own personal journey - how they have felt and what they have learnt along the way, and why they now think they are on the right track.

Disclosure is a key skill for leaders as it makes what they say much more credible for their audiences. It is very difficult to build personal disclosure into a recital of the company mission statement.

Important pre-requisites for substantial learning

It is difficult to imagine that an organization can achieve and sustain higher levels of performance without learning something new. If no new capability is added to what the organization can do, then it is very likely that the same results will be achieved.

It is because of this that companies spend many millions of dollars every year to develop new capabilities. However, this investment often under-delivers because organizations fail to understand thoroughly enough the processes through which people learn.

Most significantly, the approaches that businesses take miss the vital link between capability and results. Just as it is hard to achieve better results without new capability, so it is very difficult to develop new skills without the challenge of achieving a new target or goal.

This is because humans only really learn new things that are useful in helping them achieve things that they were previously unable to accomplish. Take all those things you learnt at school that you have long since forgotten.

KEY GUIDELINES

Creating an emotional connection to the journey

Visions that are stories and not statements

People connect to stories of success that are about winning through adversity and about journeys with messages, not shiny statements of Utopia.

People need to talk about the point of it

The ideas you have are only true for your people at the moment of their realization. This is often only achieved through conversation.

Create a clear idea of the leadership you want

You need to convey simple messages about the attributes of leaders that you want - eg. energizing, passionate, confident, participative, execution-focused.

Consistency of belief and action

People disconnect or, even worse, suffer when actions are inconsistent with beliefs - hence the critical role leaders play in demonstrating behavior consistently.

Leaders develop other leaders

Reinforce the value of developing and role modeling effective leadership.

Create a consistent environment

Align all aspects of performance management and reward to the behavior and mindset you desire. This provides positive reinforcement.

KEY GUIDELINES

Important pre-requisites for substantial learning

Connect learning to results

People learn through necessity and adversity connected to stretching challenges, not through rational thought and desire alone.

Understand the emotions of learning

Help people recognise and deal with resistance and loss. Recognise the stages of the learning cycle eg. conversation, practice, reflection and assimilation.

Learning takes time

Learning new skills takes help and encouragement. Without sufficient time, confidence is lost. Leaders need to see a process through for a number of years.

Learn about better conversations

Learn about the patterns that good conversations take and practise challenging conversations, giving feedback and disclosing.

Tolerance of errors and failure

Help the organization deal with mistakes in a consistent and positive way.

Intolerance of inconsistent behavior

Help people to understand and reinforce that leaders can choose how they behave.

Clearly, the reason for this is that you have not had any use for them. Those that you have used regularly remain as if you learnt them yesterday.

For this reason, capability development and formal training must always be in the context of the actual challenges that people face. But what often happens is that people receive leadership and management training that is removed from their day-to-day reality, built around hypothetical examples and based on topic areas that aren't related to any current and urgent **need**.

This '**Phantom Route**' approach means that those being trained don't get to apply the new knowledge in order to solve a real problem. The result is that, after a few weeks, the knowledge is forgotten, the investment is wasted and, most importantly, the business defaults to the use of its 'old' knowledge - with predictable consequences.

The Phantom Route effect means that change initiatives that have no hard deliverables usually achieve little by way of any lasting benefits. But there are also some other important aspects to consider even if the right challenges are in place.

There is a need to recognise that learning takes time,

that it is a process that is different for different people, and most importantly, as people become older and wiser it becomes emotionally more difficult to accept that what worked in the past may not be the best way to go forward now. People need support in all of these aspects for any 'transformation' to succeed.

Understanding the skills of successful implementation

Organizations today increasingly recognise that implementation needs to become a core skill. In doing this, they are acknowledging that implementation requires specific knowledge and skills that go beyond straightforward project management.

The plan-plan-plan-execute model which typifies many common approaches simply won't work because it is predicated on the false assumption that exhaustive planning will provide the right answer, rather than on the necessity to provide the right vehicle for people to learn and practise new skills. Also, the right answer won't be found because of the situational nature of change - each situation is unique and changing.

Instead, the change programme should seek to use past experiences as signposts and clues to support and accelerate local learning and solutions that are unique to the situation. Solutions that are imposed on people tend to be rejected because these don't ring true in their specific situation.

That is why leaders should coach their people through the change process rather than just tell them how to move forward. Supporting people as they find their own solutions is more motivating and sustainable. It leaves behind more capability than simply giving them the answers.

Finally, because a coaching philosophy is at the centre of the learning organization, leaders should be wary of two things. If you change the organizational structure too often, particularly during the change programme itself, you will alter or remove the relationships that are a pre-requisite for effective coaching. Beware too the selection of external support for the programme whose focus is on doing things for you rather than on helping you do it for yourselves.

The simple truth is that implementation is all about leading people to new levels of performance rather than choreographing a logical sequence of activities. It is this

KEY GUIDELINES

Understanding the skills of successful implementation

Implementation requires skill changes

People need to understand and recognise the skills required for successful implementation and then practise them to help them make change happen.

Timing is everything

Education applied without practice will be lost; similarly, implementing changes without education will mean that people don't know what they don't know. The result: failure and resistance.

Learning by doing

Successful implementation is a journey of learning by practice. Organizations frequently plan too long and see the final step rather than the whole journey as 'implementation', leaving too little time to learn the skills required for sustainability.

Situational nature of change

Although principles and ideas from other situations can often be useful, each local implementation is uniquely situational. Pre-made solutions that do not involve local people and develop their ideas often fail.

Active leadership of change

Complex implementation involving behavior and mindset change requires active leadership that is different and separate from everyday leadership.

Consistent application of tools

There is no magic in any particular tool such as Systems Thinking or Six Sigma. The value lies in their consistent application in the culture, enabling leaders to interpret data better and make better decisions.

Importance of step-backs and forums

A key process that builds sustainability in organizations around implementation is the ability to step back, evaluate and discuss changes in peer or functional groups outside of the local environment. Without this reflection and learning, people easily lose heart.

Importance of meaningful results

People find it hard to learn in the absence of objectives to which they are committed. Simple, memorable results that relate to key objectives enable this process to succeed.

Wrong use of external help

There is a danger in external help being allowed to do too much of the work. In the absence of people experiencing the journey, how can they learn new skills?

Avoid changing structure during the process

For leaders to coach followers through the process effectively, a relationship must first be established. Changing organization structures by definition changes relationships. This shift can only be made prior to implementation, otherwise changes made will unravel.

people part that provides the challenge, the fun and, ultimately, the rewards.

Many of these points will be all too familiar to your organization. But we hope that some of them may shed light on why so many major transformation efforts fail to deliver their potential and why major success stories

are so elusive. Fail unknowingly in just one or two of these areas and it can prove fatal. All of which explains why leaders are often unwilling to even embark on such a journey.

An interesting corollary of the situational nature of all change is that there is no 'right answer' to how these ideas are applied in each and every situation. This means that leaders in organizations need to focus on developing their understanding of these principles and their ability to use them as signposts - as a rough guide to where they should look for answers, as they embark on making their business successful in a new and far more emotionally engaging way.



To find out more about a new type of consulting visit us at

www.evolve.cc


EVOLVE