



The 4 Elements of SUCCESSFUL ORGANISATIONAL CHANGE

That Most Organisations Miss



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Resilience is the number 1 skill of the 21st Century. A big claim I know. Let me explain, if you think about the volume of change that you have experienced in your life time and career so far, then it is likely that many of the skills that you employed a few years ago are now no longer required, either by technology advances or changes to workplace expectations. It is also highly likely that changes will continue to occur at an ever increasing rate. Those people who are able to adapt easily and quickly will be at an advantage, particularly for those in Leadership Roles.



It is not the strongest or the most intelligent who will survive but those who can best manage change.

- Charles Darwin



Many organisational changes that I have witnessed over the past few years involve not only teams but also impact on their Leaders. From 'off shoring', to 'down- sizing' 'rightsizing', 'outsourcing' 'expansion/ contractions' as well as 'Mergers and Acquisitions', 'strategic alliances' and business directions – all include the need for people to adapt quickly and productively, often asking Leaders to manage the transition for current to future state even when they may not have a role in future state.

Some of the common mistakes organisations make that cause resistance and challenges are

- ❑ They treat change as a process with Gantt charts and timelines
- ❑ They assume that people will get on board with the change immediately
- ❑ They throw some Managing change workshops or support into the team at the last minute
- ❑ They overestimate the capability of our Managers to drive change in their teams

To build a resilient and adaptive culture in the workforce, the work needs to be done prior to any specific change process. Resilience can be built, adaptability can be built, but its more challenging to build that 'during' change and transitions. If organisations take a more proactive approach in building this critical 21st Century skill– their Workforce would be looking for and implementing change more quickly and aggressively than merely trying to play catch up.

“While human resilience may be thought of as a personality trait, in the aggregate, groups, organizations, and even communities can learn to develop a “culture of resilience” which manifests itself as a form of “psychological immunity” to, or the ability to rebound from, the untoward effects of adversity.

- Building a Resilient Organization HBR 2011

Designing your organisation and the core capabilities in your workforce around resilience and change will help you and your organisation adapt quickly and respond to market forces. **There are four key aspects most often missed, and by adopting some of the following strategies can make a real difference.**

1. Approach change as an adaptive change rather than a technical change
2. Create a culture of change and resilience across the whole organisation
3. Building personal leadership and resilience skills in key leaders
4. Look for resilience skills at recruitment stages



1 RECOGNISE CHANGE AS AN ADAPTIVE CHANGE

Time and time again I have witnessed organisations and leaders approaching a change initiative as a pure technical change (systems change, process change, structural change, strategic directions change, functional change) doing a brilliant job of building process maps – arranging time frames and events to implement that change. When the people element of change is not fully embraced and planned for, as an adaptive change, then the change is likely to fall short of its objectives and even worse, create legacies for the organisation for months/ years to come.

Kegan and Lahey describe technical change as requiring new skills and tools but mind set remains unchanged. They go on to explain that Adaptive challenges (change) require new mindsets to make the leap in

mental complexity. Adaptive changes tend to have an element of mental complexity, competing priorities and ambiguity, where the solution or way forward is not completely clear and structured.



We can't solve problems by using the same kind of thinking we used when we created them.

- Albert Einstein



Gantt chart and Project plan driven –Large Organisations are particularly good at managing tasks and ensuring that timelines are met. The pride in managing process is high and often becomes the measure of success. The trap is that people leadership is either forgotten or attached at the end, with a Managing Myself Through Change type program offered at the last minute.

When we are requiring a behavioural change with humans then we really need to look at the adaptive change and plan for that. We need/ want people to adapt their behaviours and routines to meet the future expectations.

It not acceptable to just expect people to change and be happy about 'just having a job'. Often change in routines and behaviours press 'hot buttons' for us. Dr David Rock in his book "Your Brain at Work" describes some of the triggers that activate the threat response in our brain. He refers to those triggers as SCARF – and acronym for five elements – Status –Certainty – Autonomy – Relatedness – Fairness. If any of those are perceived to be under threat, the

brains 'threat response circuitry' lights up like a lightning storm – thus activating a range of emotions and behaviours that are often interpreted as Resistance to Change.

“ Adaptive change is characterised by the need for people to adapt their behaviour in some way to effect the change ”
Changing on the Job 2012 - Jennifer Garvey Berger 2002.
Stanford University Press



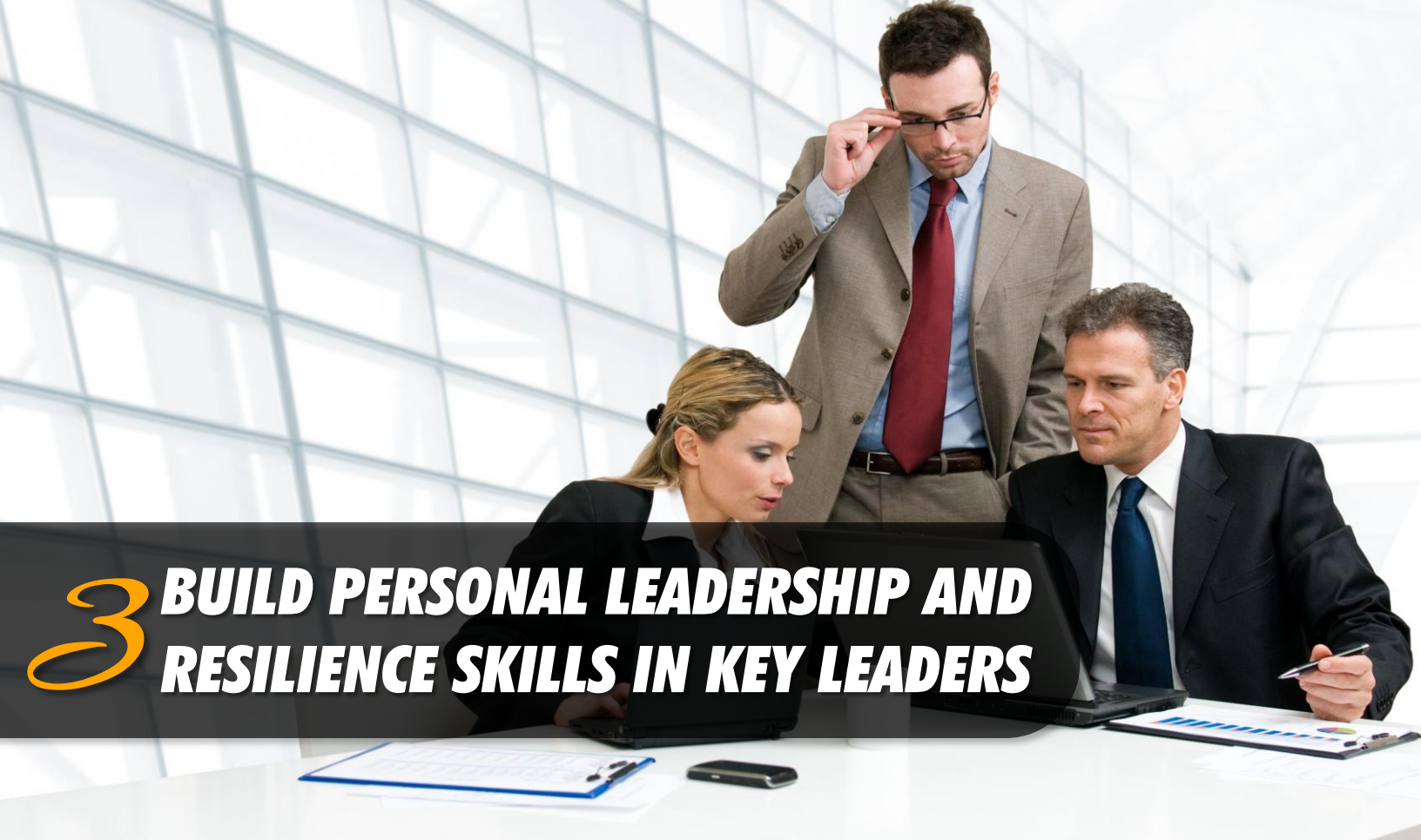
2 CREATE A CULTURE OF CHANGE

Many organisations invest heavily in leadership development and skill building – which is admirable and necessary for people lead well and guide the organisation. Having been intimately involved in the Leadership Development industry for over 25 years – I am increasingly disappointed that resilience training and skills to build a change culture in organisations are often overlooked in leadership programs or seen as a ‘nice to have’ and non essential. It this very short term thinking that becomes the undoing of change – showing up when the stakes are high and risks are higher. Creating a culture consciously and deliberately takes time and a clear strategic intention to do so. Culture will happen whether the leader is at the helm or not, it might be an accidental culture, one that doesn’t embrace change, engage and lead people

well or adapt quickly. Culture must be nurtured by demonstrated and rewarded behaviours of leaders that build an adaptive and responsive workforce.

Learning new skills before they are needed might seem counterintuitive to some, but being able to build skill around change and resilience while there is smooth sailing can in fact create great foundations in preparation for the times when people are feeling under pressure and the organisation needs to respond quickly.

If you hear conversations like we have it 'under control', 'thanks for calling' our leadership programs are fine as they are. It might be indicating a more reactive culture to leadership development. If we can build a less re-active and a more pro-active stance on resilience skills throughout the organisation, then key players can expect that they will be able to personally step up more quickly and bring their teams along more effectively as well and truly have a responsive and adaptive culture in the organisation.



3 BUILD PERSONAL LEADERSHIP AND RESILIENCE SKILLS IN KEY LEADERS

Some argue that resilience can only be built from years of experience and tackling challenging situations, and to some extent these experiences are indeed necessary to the build process. I challenge this singular concept as the way to build resilience.

Do you know the number of people in your life/ career that have been presented with challenging situations and yet haven't demonstrated any additional resilience skills from those experiences? There are many.

When we combine a fundamental understanding of the brain (neuroscience and neuroleadership) and some learned techniques to manage the automatic responses we have to threat or perceived threat with real life experiences, we can accelerate resilience skills development in a conscious and deliberate way

I have been fortunate to meet many people in my career, many with stories of situations and wonderful Change Leadership that they have experienced over the years. For as many people I have met with those success stories and memories, there are three – four people that share their experiences that are opposite. Where change has left teams decimated and unproductive, with battle scars that may never heal. During times of change the Leadership void – lack of leadership skill within Senior/ Middle and First Time Managers to effectively manage the people side of the change bubbles to the surface. These are the very levels in the organisation that can ‘make’ or ‘break’ a change initiative.

The investment into Resilience skills training is easily mitigated by the costs saved by managing change more effectively.

Traditionally the costs of change poorly managed are not spoken about or for that matter even measured. Someone said to me this week ‘its impossible to accurately measure the costs and risks to the business’.

I believe that there are ways of measuring things like reduced productivity, loss of focus, increased absenteeism, ripple effect impacts on other teams and stakeholders, reduced response rates and quality. Think about the amount of time spent during any given day on talking about the changes – feeding the rumour mill, around the coffee machine or water cooler. Multiply that out by the number of people feeling the need to engage in these conversations in order to

process their feelings and emotions, feel validated or question the change and you have an immediate estimate of the lost productivity costs

For example, (these are conservative estimates)

10 people in a team – significant change has been announced and due to the lack of communications or leadership presence, each of those 10 people spend approximately 1 hour (conservative) of time interspersed through out the day discussing the change- contemplating their futures looking for moral support, concern for their fellow team mates etc. Assume salary of \$100k pa.

Chatter and confusion

10ppl x 1 hour each per day = 10 hours per day (50 – 60 hours per week)	\$2500
Absenteeism 10 ppl x 1.5 days per week	\$3500
Rework or stakeholder complaints approx. 10 hours per week	\$500

For a small team of 10 people this could be a direct cost of \$6,500 - \$7,000 per week during the transition period. Just take a moment to calculate that figure out across the number of teams either directly impacted and the 'ripple effect' impact teams and you start to get an expensive view of the actual costs of poorly managed change.

This example doesn't take into account some of the poor critical and expensive decisions that occur when a person is distracted or preoccupied by dealing with the mental complexity that they are ill equipped to respond to.

There are risks as well to consider – Large Organisations often need to trade off the acceptable risks in order to achieve the projected benefits of the change being proposed. That is an understood dimension of doing business of course. Most Leaders however want to minimise the risks as much as possible and hope to not get ‘blindsided’ by a risk that blows out.

Some of the common risks include:

- ❑ Losing talent to opposition
- ❑ Employment Brand damage
- ❑ Semi implementation or snap back*
- ❑ Litigation
- ❑ Sabotage activities by disgruntled employees – insider trading, purposeful sabotaging of new directions and unethical Customer advice etc.

Considering the rise in legal challenges from employees around poorly handled change, it is a risk that needs to be minimised as much as possible.

A recent study in the US – reviewed a large number of Doctors and the frequency of litigation proceedings between them. They identified those Doctors that were rarely sued and those that had high incidents of patients looking to legal avenues to sue. After reviewing a range of skills between the Doctor groups, including technical, medical experience and interpersonal skills The only variant between the two Doctor groups was the level of empathy

they showed to their patients. The Doctors that were genuinely able to demonstrate empathy for their patients and their situations the less likelihood there was for patients to sue when things go wrong.

The more empathy and support you are able to genuinely provide to your team – the more likely they will be able to focus on performance during the change experience, and their perception of how they were treated during change

It is a common belief that some Doctors have no bedside manner, their technical skills were on even par

*** Snapback is a term that describes the behaviours that revert back to the previous equilibrium and negate any changes in process and behaviours that the changes intended to create.**

Don't forget survivor guilt – it's a real thing.

Often we assume that if the team is significantly changing its membership (down or new reporting lines) that those left and have roles will be happy and have the ability to return their focus onto effectiveness and productivity. The experience of changing team format may have a lag effect on those left – “Why did Jason (Jason's role) go? He has a young family, and he was really experienced. I feel guilty that I have a job and he doesn't”. “If the company can let Jason go, then what will be next for me?” when team members or even the Leader spends time pondering and discussing, it creates uncertainty and doubt

about the future for themselves. Which again impacts on productivity and even more importantly 'Trust'.

Trust is one of the key ingredients required to build an engaged and high performing organisation, and is sometimes the thing that disappears in a flash when change isn't managed well. Trust building is now featuring in Leadership Development Programs – for example what are the triggers to build trust and what erodes trust. When linked to the ability of Leaders and teams to adapt quickly then it can often minimise the erosion of Trust during unsettling times.

When Leaders are well equipped to deal with the natural reactions to change in themselves and their teams, they can respond quickly and in many cases avoid some of the costs and risks.

**“ In a high trust society... We interact with less friction,
resulting in greater speed and lower cost
- Stephen Covey ”**



4 LOOK FOR RESILIENCE SKILLS AT RECRUITMENT STAGES

This topic is a mine field for those in recruitment, we would ideally like to be able to observe resilience skills in action, designing such an event or assessment method to do so would be potentially quite risky. There are the ethical questions around this, would we be misleading or at worst place the candidate at risk in some way? At such an early stage of employer / employee relationship we have insufficient knowledge about the candidate and his/ her history to determine their ability to meet the challenge. Yes, that what we are wanting to assess, but at the same time we have an obligation to ensure no harm comes of our employees and potential employees, the assessment event may create unintended stress triggers or recall of events that impact on the mental health of the individual.

We are on safer ground if we utilise quality questioning during the interview to surface any examples of resilience. If the 'past experience predicts future performance' method of questioning is used, then the focus of questions should not be around outcomes of the specific event but rather, what coping strategies they employed? What did they learn from the situation/, How did they move on from that challenge?



SUMMARY

With the volume of change that we experience in our lives, both personal and organisational life, we have a responsibility to consciously and deliberately build our skills of change and resilience. Some people will start that journey themselves without waiting for an organisation to do it for them. Most won't. Think about your workforce, how would you rate their current level of resilience?

- ☐ How do they respond to change?
- ☐ What is lost during times of significant change?
- ☐ Time? Productivity?
- ☐ High performance?
- ☐ High performance individuals?

Turn the dial on your microscope and take a close look – take some action to strengthen the skills of change in your organisations.

By thinking deeply about these four elements and generating discussions in your organisations about some of current symptoms that are evident, you can be a powerful and influential Leader, creating a future proofed workforce that can adapt, morph and lead teams through change in productive and powerful ways that give organisations a distinct advantage in this ever changing world.

Start the conversations in your organisation, and take steps to build these four elements into the workforce now, and have a more prepared and responsive organisation ready for the next major change.

- ❑ Approach change as an adaptive change rather than a technical change
- ❑ Create a culture of change and resilience across the whole organisation
- ❑ Building personal leadership and resilience skills in key leaders
- ❑ Look for resilience skills at recruitment stages

We live and breathe to help ‘develop leaders to achieve real world results’ – if you want to create a movement toward adaptability and resilience in your organisation and achieve real world results then talk to us and we can help accelerate your journey.

About us

Why Choose Real World Results?

In today's economy – organisations do not have unlimited budgets to spend on developing their employees, so it is even more important to be selective on what and how the limited budgets are spent.

We specialise in behavioural change, in one-on-one situations as well as facilitated group learning. Sales training, sales leadership and business leadership – individual performance or team performance, we can design from the ground up and work with your existing material to ensure great outcomes.

Developing leaders of today as well as leaders of tomorrow is our singular mission here at Real World Results. What is the state of mind that one needs to have in order to achieve real world results, to encourage others to achieve and, to be worthy of having followers?

Kerry Rosser

An Executive Coach with extensive experience in Facilitation and Organisational Development in Corporate and Government Sectors.

Kerry has the ability to capitalise and apply the most recent research on positive psychology and brain based behavioural change and is passionate

about working with business leaders to define and develop effective learning interventions that ensure those businesses are successful.

Organisational Change is where Kerry adds value, she has been involved in large scale change in a variety of industries and has been facilitating Change programs for many years. She has also invested heavily and studied the Immunity To Change process with Professors Robert Kegan and Lisa Lahey at Harvard – Boston.USA.

Kerry is described as curious and a lifelong learner and is driven by a desire to build understanding about how thought patterns influence our individual successes and failures. She has held various senior Leadership roles in the Banking & Finance field as well as Federal Government agencies.

Kerry holds a Degree in Adult Education and Diploma in Training & Development – and a number of accreditations in the Executive Coaching field.