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Change$^3$ (Change Cubed)

Exactly a century ago, Albert Einstein confronted the world with disruptive innovation in physics, the discovery of Relativity. When first published, *Theory of Relativity* superseded a 200-year-old *Theory of Mechanics* created in the 18th century by Isaac Newton. Einstein’s theory centered on the interrelationship between speed, mass, and energy eventually culminating in the formula, $E = mc^2$.

In a nutshell, Einstein found that as an object approached the speed of light, $c$, the mass of the object increased. The object goes faster, but it also gets heavier. If it were actually able to move at $c$, the object’s mass and energy would both be infinite. A heavier object is harder to speed up, so it’s impossible to actually get to a speed of $c$.

A century later, the 21st century, speed and acceleration have surfaced again; this time as significant market forces. Brought up in business, politics and social sciences, speed is probably one of the most frequent descriptors used in conjunction with the discussions about organizational change.

The *People & Strategy* journal is no exception to the timely conversation about the speed of change. In examining change in the 21st century, we really need to better understand how the man-made organizations are evolving their new forms.

That is exactly the answer we set out to discover in this issue of *People & Strategy*. This special issue is our modest attempt at creating a milestone that captures change management thinking in organizations today. It is very much about the early 21st-century “as is” of change management thinking. And as much as we have examined changing change management practices, we have also played with future scenarios and have sketched out what might be coming next.

Our readers will find multiple perspectives and diverse change management models represented in these pages. Their common thread is to offer additive, but by no means exhaustive, insights onto organizational change management strategies.

We will see the best of our organizations learn how to become faster than change itself by relentlessly reinventing and renewing themselves on demand, anticipating and adapting to the new realities.

Similar to Einstein’s revolutionary discovery in physics, current organizational thinking has moved away from a mechanistic view of change management as a predictable step-by-step centrally controlled process. New 21st-century science and disruptive technologies have come to our rescue to assist our organizations in the face of the ubiquitous change.

Neuroscience, for one, is replacing 20th-century psychology in revealing the deeply rooted origins of fear and resistance. Neuroscience is giving us the awareness necessary to override unconscious, human fear of change.

Big Data is coming to our rescue exposing patterns and connections producing evidence unavailable to an unassisted eye.

Organizational Network analysis is mapping informational and influence networks painting a clinically precise picture of organization’s political pathways.

To paraphrase David Nadler, the ultimate practitioner of change management whose tenure bridges the two centuries of change management, we are now living in the age of unprecedented proliferation of change types and models.

In closing, we return to Einstein’s formula. Granted, acceleration is here to stay but with this much new knowledge, intelligence, and technology available to us we will become smarter adjusting to its speed. We will see the best of our organizations learn how to become faster than change itself by relentlessly reinventing and renewing themselves on demand, anticipating and adapting to the new realities. After all, we no longer live in the world of “managed” change but in the world of change cubed.

Dr. Anna A. Tavis

Share Your Expertise

The typical *People & Strategy* reader is a human resource executive or consultant seeking practical advice based in research. Our audience has a global perspective and wants to be challenged by new models, approaches and ideas. Readers turn to *People & Strategy* for actionable and thought-provoking articles on relevant topics. For article submission details, please view the Call for Papers for themed issues on www.hrps.org.
HR, Be the Change You Wish to See!

The original words of Mahatma Gandhi, “Be the change you wish to see,” are often quoted but seldom practiced. Armed with the ideas and insights from this special issue of the People & Strategy journal, we hope that you will join in, engage and be the change.

The field of organizational change is rich and deep with many useful models, methods and insights. It has helped leaders to realize their vision and strategy, middle managers to transform organizations and change practitioners to hone their skills in support of these transformations.

Mutations in technology and society have increased the speed and complexity of change, and economic fluctuations and globalization continuously create new challenges and question achievements. Organizations are struggling to adapt, become agile and even reinvent themselves. In this evolving landscape, programmatic change has stumbled on many occasions.

Leaders are looking for new perspectives on how to help their organizations address the tall orders of change while increasing the sustainability, becoming socially responsible and managing talent. How do leaders engage their people in the process of change versus expecting them to “do what they are told?” A dictatorial approach to leading change results in disengagement, lack of adoption and ultimately failure to realize the benefits of the change. A new day requires a new way.

This special issue is not intended to be a primer on change management or serve as a definitive guide to the discipline. Instead, this journal is a voice, a contribution to the change discussion in several areas: the HR leader’s role; new facilitation approaches, such as considering the tiniest lever of a habit or using noninterventionist methods; views on mature techniques, such as large group interventions and agility; some lessons learned on measuring change; a case study on pivoting a business model; and a walk through some disruptive organization designs. We want to challenge your thinking, improve your practice of change and help you become more effective and successful in your role.

Change is an integrative discipline. Massive shifts in an organization can be initiated from very different starting points, and the articles offer perspectives on this.

A number of models are discussed: positive deviance, content neutral facilitation, agility, and high engagement. There are many more out there—and we hope the reading will trigger your curiosity. Why change management matters to you is because it’s about helping people cope with acceptance of a new reality. Therefore, it makes sense that HR is always involved. Whether HR leaders will sponsor, drive or support change depends on each situation, but what is imperative is that they develop their own awareness and capabilities and always be key figures in these transformation programs.

Don’t be a bystander in the “game of change.” By improving your understanding you can use your position—knowledge of the architecture of the organization, the people and the processes impacted—to increase the success of change.

We hope that you’ll use this issue to stimulate your thinking about organizational change and recognize the very important role you play in leading through it. We challenge you to join us and our organizations as we create some ripples.

Cécile Demailly is the board chair of the Change Leaders, an international community of practice linked with Oxford Said Business School and HEC Paris. Since 2004, the Change Leaders members focus on continuous learning, share knowledge, experience and research, engage the conversation with thought leaders and experts in the field, co-create and collaborate. See www.thechangeleaders.com for more information. In her own change practice, Cécile consults for multinational corporations on disruptive change and emerging models, such as technology adoption, enterprise 2.0, sustainability and diversity. cecile@earlystrategies.com

Donna Brighton is the president of ACMP (the Association of Change Management Professionals) and a passionate believer in the power of change. ACMP is a global organization that arose from a World Café conversation of change management practitioners. It is dedicated to advancing the discipline of change management. The ACMP Change Management Standard will be released in 2014 following the annual conference. See www.acmpglobal.org for more information. In her change practice, Donna helps senior leaders accelerate the implementation of their organizational strategy, measure and maximize their change capability, and utilize culture to drive change. change@brightonleadership.com
The title of this Lead Perspective plays off hockey great Wayne Gretsky’s explanation of his tremendous success. When one looks at how the digital economy is shifting the world of work, it becomes apparent that successful organizations must discover the new balance between hierarchy and community that is called Social Architecture. Organization change practitioners must also update their own methods and tools to capitalize on these trends, tapping into the new potential for collaboration and social media.

What Is Going On?
On May 5, 1835, the first train was riding through Belgium. At that time, nobody could predict that this train would trigger a whole new era of the Industrial Revolution. Today, we see that the Internet has leveraged our economy in the same way the train fueled the Industrial Revolution.

All large companies depend on information systems to enable business processes. Effective systems upgrades can be transformative, while failure to achieve effectiveness can cripple the enterprise. However, the way we run these projects is for the most part still governed by command-and-control, top-down logic. In reality, there is a tension between the authority dynamic of traditional hierarchy on the one hand, and the influence dynamic of collaboration that is becoming the norm in our society since the rise of social media.

As the world changes, many of the rules that brought us here become obsolete. Just as social media has enabled consumers to influence and even define a company’s brand, it is increasingly setting the stage for inclusion of the target audience into the design and deployment of new systems. Leadership and workplace dynamics are no longer simply hierarchical, as tribal dynamics of communities now trump top-down management.

Successful projects are those that strike a healthy balance between the compliance imposed by hierarchy, and the co-creation brought about by the communities that connect people. Hierarchy alone can no longer accomplish change.

Gradually everyone is getting acquainted to liking, sharing and crowdsourcing, and a lack of social media sophistication is no longer an excuse for not collaborating. The Internet and social media have radically raised our expectations for inclusion, voice and collaboration. We are in the middle of a paradigm shift. If you were on that train in Belgium in 1835, would you have seen how far it could go?

Here We Are; Now What?
There is a tremendous opportunity to tap into the new literacy of collaboration and to balance it with the existing organization. This is called Social Architecture, balancing authority and influence.

To expand on Luc’s perspective, we invited commentary from change agents around the world. American Daryl Conner, whose writing has shaped the thinking of consultants and leaders globally, builds on the Lead Perspective, noting the significance of this point in time. Jennifer Frahm weighs in from Australia, reminding us we still have a long way to go, while Holger Nauheimer, from Germany, places social architecture in the broader context of history, technical change and leadership. Finally, Peter Vermeulen, from Johnson & Johnson, shares with us a view from inside a large global corporation.

If you ever felt it takes too long and is too complex to design and implement new information systems, this issue of Perspectives is for you. If you ever wondered how to better engage your workforce in the midst of change, then this issue of Perspectives is also for you. After reading about the defining impact of social architecture, you can share your own views with any of the authors, or contact me directly at marc.sokol@sagehrd.com.
Winning organizations of the future will find a good balance between controlling the outcomes of stable processes with reaching outside of the boundaries of the organization chart in order to connect with customers, suppliers, and other stakeholders. Ultimately, there is no outside.

In practice, this comes down to empowering interconnected layers of communities, projects, task forces and tribes. We do this by assigning roles as opposed to permanent hierarchical positions. Next, people connect based on those roles, using social media as desired. For instance, imagine the community of warehouse managers created during the global rollout of an ERP package. Warehouse managers from different production sites all over the world are given a warehouse manager “badge” as a project role; they use this designation to find each other, to recognize each other as members of the same “tribe,” and assume trust in each other that might have otherwise taken years to foster. This illustrates the productivity advantage of collaboration over compliance.

What’s in It for Organizational Change Practitioners?

The rise of social media is changing our organizational DNA, and it takes the lens of social architecture to see how the toolbox of organizational change practitioners needs to be upgraded. For instance, the traditional view of a change leader as a problem-solving expert is under pressure. Now our job as organizational change practitioners is to build platforms for communities to connect, to recognize ambassadors who emerge within and across communities, and to balance their influence with the authority of the surrounding organization. The benefits of leveraging social architecture to help drive systems change include:

- Early prototyping, feedback and error detection that can be accelerated through communication platforms.
- Using platforms to engage stakeholders with each other in meaningful conversations around problems and solutions, and even the overall vision of the desired end state of change.
- Evolving project communication plans to include shared stories that emerge from real user experiences.

Change leaders of the future must display the courage to decrease their level of top-down control and trust the wisdom of virtual communities. As organizations discover that emergent social communities are not a threat to hierarchy, they too will benefit from the balance of influence and authority. This is exactly where the competitive advantage of the next generation of organizations resides.

Luc Galoppin, a Belgium-based organizational change practitioner, founded the LinkedIn group Organizational Change Practitioners, which has more than 40,000 members. He is the co-author of Managing Organizational Change During SAP Implementations, luc.galoppin@reply-me.com
Social Architecture: A Balanced Call to Action
By Daryl Conner

When reading this Perspective, I was struck with what an inflection point the professional change community is living through. Most disciplines periodically experience bifurcations, where a clear “before and after” point of reference emerges. Something takes place that separates the eras when practitioners did and didn’t have access to certain knowledge or technology. The change execution profession is living through one of these historic junctures; it is the demarcation from pre- to post-awareness of the powerful implications of what is referred to here as “social architecture.”

Before the great divide, most successful endeavors involved some version of driving change down into organizations from the sponsor’s perch. With the emergence of social architecture, change facilitators are able to leverage both the downward directed power of sponsorship and the upward influence of community—capitalizing on leadership’s authority as well as the collective impact of collaboration.

“Hierarchy alone can no longer accomplish change” has been declared by those on the bleeding edge for some time, but, until recently, it produced little more than rhetoric and good intentions. Despite all the “engagement”- and “empowerment”-oriented activities, most implementation plans that have led to significant change have been heavily weighted toward a top-down bias. Future generations of practitioners will look back on this period as one where the profession finally evolved enough to recognize that authority and community aren’t mutually exclusive—when leadership directives and social media networking began to be seen as equal partners in the transformational process.

Luc epitomizes this shift by refusing to let the professional change community off the hook with self-congratulations for merely waking up to this new reality. His statement is a call to action…a rallying cry to actually incorporate the social architecture mindset into the planning and execution of our craft.

This isn’t as simple as command and control approaches and social media influence having their respective places in the process; each must be integrated with and balanced by the other. They should be seen as two interdependent ends of a single continuum, creating a range of intervention options that we can draw upon as needed. Future relevance in our field requires that we embrace the notion that the zone where hierarchy and community intersect offers the greatest possibility for people and organizations to successfully adapt to changing circumstances. The social media genie is out of the bottle, and life as a professional change agent will never be the same.

Daryl Conner is Chairman of Conner Partners, a firm that has been active in the human side of change for 40 years. Read his latest thinking at http://changelinking.net or reach him directly at Daryl.Conner@connerpartners.com.

Social Architecture: Still a Long Way to Go
By Jennifer Frahm

Luc Galoppin has drunk the Kool-Aid, buckets of it. I’ve been known to sip from the social enterprise cup myself, but I’m more cautious of guzzling from it for a few reasons.

We Are Still Justifying Investments, Rather than Tending to Communities
While moving to a more collaborative hyper-connected organization that eschews command and control may yield benefits with regard to skating where the puck will go, there are ample companies firmly entrenched in command and control, without social architecture, and they are doing just fine. Galoppin says tribal dynamics of communities now trump top-down management, but I can’t agree, at least not from what I see in corporate Australia. Yes, there is increasing interest and exploratory activity in social business, but it is far from the norm.

Recent research by Hudson suggests that, while 61% of local businesses report using enterprise social networks, only 10% consider them to be a great success. My experience with companies using enterprise social networks is that community managers spend their time trying to capture the ROI and business case for extending licenses, and proving potential to their C-Suite, rather than actually tending to their communities.

The Change Must Start with Us
Don’t get me wrong; I want to believe. I also believe that the success of the social architecture paradigm shift begins with all of us who are practitioners and leaders of organizational change.

Galoppin calls for us to update our own methods and tools, “tapping into the new potential for collaboration and social media.” From what I see, our own professional community may be too time poor or just too lazy to keep abreast of the trends. Only a handful of change practitioners regularly use Twitter, or share fresh thinking and content. Active engagement on LinkedIn also remains limited to a small percentage. Far too many change practitioners don’t even have a LinkedIn profile, or know how to use Dropbox, or consider how to use aspects of gamification, mobile, or the thinking behind MOOCs within their change practices. How can we champion the use of new tools when we don’t use them ourselves?

If you are reading this, I have to believe you are interested in where the puck will be. My advice is to put your skates on, gather your colleagues, and start to be the change we wish to see in the companies we support.
perspectives – counterpoint

Jennifer Frahm, Ph.D., based in Melbourne, Australia, is the founder of Conversations of Change and an experienced change management practitioner. jf@conversationsofchange.com

At the Core, the Revolution Is about Leadership
By Holger Nauheimer

The essence of the Lead Perspective boils down to the question: “Has the world of management changed?” One position could be that actually it hasn’t changed significantly. Management is still about achieving results with the available resources—as it has been since the moment when non-family members were appointed to look after the operations of an enterprise. There have been managers for 5,000 years. The construction of the Egyptian pyramids gave rise to a new profession of people who were technology experts but also able to organize and supervise labor. Since then, we have been seeing management models come and go. No wonder that Sun Tzu and Machiavelli are still frequently cited.

We also know that technology has always been a driver of innovation in the management field. There have been periods of disruptive change in the way organizations and people are managed. Frederick Taylor, for example, described the impact of new ways of manufacturing following the invention of the conveyor belt. The safety elevator, introduced 50 years earlier by Elisha Otis, opened the opportunity to create large office spaces in cities, which subsequently helped financial and other service institutions to grow exponentially. It took 100 years until another technological revolution, the World Wide Web, fundamentally changed the way we work, organize and relate to each other.

For me, the real revolution that is happening is about leadership in response to the changes around us. For example, I facilitated a meeting of a dispersed team. The team leader, who had joined the team only six months before, was ambitious to increase performance. I provided my thoughts on how to work over distance, including the idea that exchanging personal and private news is as important in virtual meetings as it is in face-to-face meetings. Following my comment, the team members shared with their boss that she had eliminated this very aspect of their collaboration, which was a routine before she had joined and taken over facilitation of the meetings. While her intention was to increase efficiency, she didn’t consider the desire for closeness among the team, which is not satisfied in many virtual teams.

Leaders need to cultivate trust and the spirit of collaboration in the face of change, and for some, this may become even more challenging across new technology. Our conversations should be about how we want people to engage, and not just what they should be doing.

Holger Nauheimer, a thought leader on leadership, collaboration and new ways of working, hosts the annual Berlin Change Days, an international conference for change practitioners. hello@hnauheimer.net

The Power of Co-Creation
By Peter Vermeulen

For Johnson & Johnson, a company with operations in more than 50 countries and over 120,000 employees, change is not something taken lightly. A few years ago, we started to fully embrace the power of co-creation when designing and deploying major change initiatives within the Human Resources function. We recently rolled out a new set of Leadership Imperatives (i.e., the way we want our leaders to show up), a new Performance Management System, and we are currently in the process of globally implementing a cloud-based human capital system. We are successfully deploying these initiatives for a variety of reasons, but one important enabler has been co-creation as a way we have chosen to engage with different stakeholders from the very beginning of the project.

Co-creation involves both involvement and decentralization in design, moving it from development by a corporate office to development by a true change lead that understands the power of engaging stakeholders in the process. This methodology not only forced us to think differently about how we engage internal and external stakeholders in design and implementation of processes and systems, it also changed the very nature of engagement between managers, functional experts, partners and employees.

The advantages have been huge. Take the example of the implementation of Leadership Imperatives, our new set of leadership behaviors. The entire creation and deployment of these leadership behaviors was leader-led, not HR-led. It was incredibly powerful to hear leaders around the world sharing their personal stories regarding how and why they need to show up differently as leaders. The buy-in for this project was so much greater compared to similar efforts in the past. The new set of leadership expectations are now fully adopted and have become part of our performance management system.

I support the Lead Perspective: there is terrific power in embracing new ways to engage different stakeholders. It is a critical success factor for leading change in a complex environment. At the same time, I encourage readers to remember that, while social media can be a great enabler, there are other ways to organize co-creation, such as focus groups and think tanks. The change lead should be empowered to use the techniques and tools that best fit the environment.

Peter Vermeulen is Vice President, Human Resources–Diversity and Talent Management, Johnson & Johnson. pvermeul@hotmail.com
Many senior HR leaders have taken on the role of the “architect of organizational culture.” A company’s culture and signature practices can be a singular competitive advantage, creating a barrier for competitors to fully duplicate “how things are done around here.” Yet, if business performance is not where it could or should be, the corporate culture and its architects may be part of the problem. Are there aspects of a company’s culture that may need to be left behind? If so, the predominant change theories tell us that major changes in direction need to have a high degree of “cultural fit” and should be implemented using broad-based participatory strategies for the change to become embedded long-term.

A new research study suggests there is another tool that leaders might consider to induce long-term cultural change. In this issue of People & Strategy, we review a provocative study that explores a change strategy many have experienced, but is not promoted in the literature or in practice. It challenges the prevailing notion that organizational change efforts always require involvement and participation, and will likely fail if they do not fit well within the company culture. This study has found that under certain conditions a more directive or coercive strategy can result in long-lasting, fundamental cultural change. Rather than the change implementation being adapted to fit within the existing organizational culture, it can cause an adjustment, and even an enrichment, of an organization’s culture.

Until now, research studies have not looked closely at “forcing strategies” and how under certain conditions they may affect long-term cultural change, especially when the change does not fit well within the existing culture. Anna Canato of IESEG School of Management, Davide Ravasi of Cass Business School, City University London, and Nelson Phillips of Imperial College London and Aalto University recently published an important study that sheds light on this phenomenon and further informs HR and leadership practices. Their article was published in the Academy of Management Journal in December 2013.

The Case of 3M and the New CEO

At the heart of this study is the story of 3M and the selection of the first “outsider” CEO in 3M’s 100-year history. According to the researchers, “When Jim McNerney, Vice President of General Electric under Jack Welch, became the CEO of 3M in 2001, he rapidly implemented the Six Sigma practices that his former boss popularized while at the helm of GE.” Six Sigma focuses on processes, standardization and efficiency which appeared to fly in the face of 3M’s well-developed culture of innovation, “collaboration, individual initiative, tolerance for mistakes, and the absence of pressure for short-term results.” A divisional director at 3M reacted to McNerney’s forced implementation by saying, “Six Sigma has this terrifying thing of not wanting errors. But if you do innovation the way we do, pure risk is something you have to be able to admit and accept. …With all these ‘gate reviews,’ Post-it would have never seen the light. …And if Six Sigma would block a hypothetical new Post-it, then Six Sigma is not for us. We cannot put ourselves in a condition to block a future Post-it. Are we crazy?”

At first, inside critics of McNerney’s forced implementation were not vocal because 3M initially realized significant cost savings and profits, which were sorely needed at this time. But it wasn’t long until many employees began to feel similarly to the divisional director quoted above, and “people began once again to question the appropriateness of the new practice for 3M.”

At question was the “fit” between the new change and the existing organizational culture. Conventional wisdom and ample research show that, under normal circumstances, implementing a new practice with low “cultural fit” is a high-risk venture.
Forcing Change
In the case of 3M, McNerney’s decision to force this change resulted in employees experiencing tension and resisting what they were being told to do in favor of what they believed was the best way to do things. “Coercion and resistance cannot, however, coexist indefinitely. Eventually the tension will have to be resolved through either rejection or adaptation of the new practices or their incorporation in what employees consider the natural and appropriate way to handle organizational activities. Yet there is surprisingly little empirical research into how coerced practice implementation in cases of low cultural fit actually occurs, and whether and how such an implementation affects organizational culture.”

However, they say little about how members resolve the tensions that arise when new practices are coercively implemented in an organization. This leads to the research question that has motivated this study: When organization members are coerced to implement a practice with low cultural fit, how is the new practice adapted, and how is organizational culture affected by the coerced implementation?

Key Findings: Forced Change and Organizational Culture
Jim McNerney came to 3M in 2001 and unexpectedly left in 2005 to become the CEO of Boeing. His permanent replacement, George Buckley, was appointed 3M’s new CEO and began deemphasizing the implementation of Six Sigma. One would expect that Six Sigma would then have been abandoned and previous practices would have been reinstated—especially due to the coercive nature of the change implementation and the low cultural fit of this imposed practice. The prevailing theories on organizational change would have predicted this as well.

Yet once the mandate to implement Six Sigma was gone, surprisingly many parts of this practice were retained. A product manager explained it like this, “What we really understood with Six Sigma is that, in such a large company, autonomy and entrepreneurship are not created by lack of structure and complete freedom, but with a precise framework to organize actions. To really have autonomy in a large company, you need an organized structure that gives you certainties and allows you to exchange ideas. Six Sigma brought something like this.”

Even more interesting was the finding that this forced implementation changed the organizational culture at 3M. A marketing manager put it this way, “The epic phase of Six Sigma was needed, because otherwise we would have never had the push to try it, if somebody had not imposed it in such a forceful way. But now that we have tried it, it is clear that we are something different.” 3M’s organizational culture was changed and enriched in the sense that new values, beliefs and behavioral norms were added.

Cultures used to be thought of as being very stable, but in fact they evolve and become more multidimensional and elaborate, similar to a language that over time adopts new vocabulary and nuanced phraseologies. “Prolonged coerced engagement in different patterns of behavior and exposure to their effects enrich the cultural repertoire. . . .”

Much of the research on change does not have the advantage of pursuing organizational changes over a long period of time. This longitudinal study followed the Six Sigma change through three significant phases: (1) practice implementation and cultural misfit, 2001-2003; (2) continued implementation and threat to core values, 2004-2005; and (3) practice adaptation and cultural change, 2006-2008. “Our longitudinal approach allows us to capture how the implementation of the new culturally dissonant practices unfolded over time and to trace long-term changes in both the practices and the organization’s culture.”

In sum, our researchers found that, “Contrary to current assumptions about the resistance of organizational culture to the adoption of dissonant practices, our observations suggest how, under certain circumstances, coercive exposure to new patterns of action may induce more permanent changes in cultural beliefs.”

This occurs through a recursive process between the practice implementation and the cultural change as organizational members make sense of each and adapt each as individuals and as a collective (see Figure 1).

Implications for HR Leaders: Lessons Learned
HR professionals should not surmise from this study that participation and consensus are not important when making change. Establishing a shared diagnosis for why an organization should change, as well as engaging organizational members in the process of change, is still wise counsel. That said, there are three important ways HR
professionals can take action based on the results of this study:

1. **Recognize that organizational cultures are changeable and can be affected by leadership**

   Organizational cultures are not as stable as previously thought, especially as they are viewed over time. Cultures adapt and evolve and HR professionals should look at how they can take a stronger and more overt stance on molding the organizational culture as the architects of culture.

2. **Recognize that experiences (forced or voluntary) affect cultural beliefs and that cultural beliefs in turn affect behavior.**

   To change behavior, HR professionals must change cultural beliefs. To change cultural beliefs, HR professionals must change the experiences that organizational members have. In the case of 3M, organizational members would never have had the Six Sigma experiences without a coerced implementation. And without these new experiences, the organizational culture would not have had the opportunity to be modified and enriched.

3. **Do not buy into the false dichotomy that a practice either fits or doesn’t fit a culture**

   Cultures are multifaceted and multidimensional. Some parts of organizational cultures, such as the cultural repertoire or behavioral norms, may be more pliable than others. Eventually, many aspects of organizational culture can be affected by significant experiences. On occasion, leaders may need to courageously take calculated risks and mandate the adoption of a new practice in order to help an organization leave behind certain aspects of its cultural heritage and move forward with new ones.

**End Notes**

Great leaders have used different strategies to change cultural beliefs by introducing visionary concepts, disruptive ideas, and new practices that have in turn changed behaviors for good and created newly sustainable organizations. Most often, leaders will want to use participative strategies, but on occasion and under certain conditions, it may be necessary to be more directive when deep change is needed, even if it is not welcomed by the collective culture. In fact, courageous and sometimes radical change may be exactly what is needed. The key is to have the insight and wisdom, as many great leaders have had, to know when to mandate “low-fit” but necessary change for the long-term viability of the organization.

Human resource leaders have an important role to play as the architects and molders of organizational culture. Exhibiting consensus-building skills is absolutely necessary for great HR leadership, but under certain conditions, utilizing more “directive skills” may be a necessary alternative route to long-term organizational change.

**Coerced practice implementation in cases of low cultural fit: Cultural change and practice adaptation during the implementation of Six Sigma at 3M. Anna Canato, Davide Ravasi & Nelson Phillips. Academy of Management Journal, 2013, Volume 56, No.6, pp. 1724-1753. Readability for an Executive Audience: ****.

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Organizational change practitioners facilitate many different types of transformations, including process change, technology change, people change, whole systems change and organizational transformation.

The field of change management uses a broad range of methods, models and approaches. Yet, through this research piece you will find that change practitioners have identified a set of best practices that consistently drive successful change, no matter what type.

In the Research Corner, Prosci shares the top seven reasons for change management success on projects, which comes from their 2014 issue of Best Practices in Change Management. Use this research as a benchmark to enhance your understanding of change management best practices.

We found Prosci’s research useful to reinforce what you may intuitively know, but now have the research to support. It explains what makes change management successful and shares numerous supporting points, such as effective training methods, employee engagement and participation, as well as the most common mistakes in change management.

There were several insights that caught our attention. The first is the increase in the use of a methodology. Rather than attempting to identify which model or method is best, the research suggests that it is imperative to have a process and to use it consistently. The increase in the use of a methodology indicates that the practice of change management is maturing. There is a recognition of the correlation between a consistent process and project success.

Change sponsorship is another critical topic coming from the research. We are in passionate agreement about the strategic importance of a great sponsor. However, competence and commitment are two aspects of great sponsorship that must be considered when evaluating a sponsor. Commitment comes from faith in the transformation and the boldness that goes with it. Competence involves expertise in the actions that are clearly presented by this research. The choice of a sponsor who will lead a change project is no small choice: We advise selecting a leader who possesses both commitment and competence.

Best practices do not guarantee project success, but they definitely increase the likelihood of achieving the needed business results from any change. You can leverage the research as a checklist to assess your current change projects or a guide to increase your effectiveness on future projects by applying the insights from this benchmark study.

Cécile Demailly and Donna Brighton

When changes impact how employees do their jobs, the speed and level of adoption and usage directly impact the benefit realization and value creation of the change. This is the essence of change management.

Since 1998, Prosci has conducted eight benchmarking studies with change practitioners to identify lessons learned, best practices, tips and suggestions for managing the people side of change. Over 3400 practitioners have shared their insights and experiences to build one of the largest bodies of knowledge on change management. In each study, intentional survey design has enabled the broadening and deepening of knowledge related to the discipline.

This excerpt focuses on the findings from a particular, overarching question: What has been the single greatest contributor to the success of your change management program? This question has been asked in each of Prosci’s eight benchmarking studies, and over the last four studies a stable group of contributors has emerged.

This article explores the top seven contributors to success identified by the 822 participants from 63 countries in Prosci’s 2013 study, and adds depth with related findings from additional sections of the 2014 edition of Prosci’s Best Practices in Change Management benchmarking report. Although only a small sample, this excerpt provides HR leaders with a solid foundation for creating meaningful and sustained change in their organization.

Greatest contributors to change management success

Participants in Prosci’s 2013 study identified
the factors that most contributed to the success of their change management initiatives. Six of the seven contributors were consistent with previous studies. Engagement and integration with project management, the sixth contributor, is a new addition to the list.

1. Active and visible executive sponsorship
2. Structured change management approach
3. Dedicated change management resources and funding
4. Frequent and open communication about the change and the need for change
5. Employee engagement and participation
6. Engagement and integration with project management
7. Engagement with and support from middle management

Sponsorship

Active and visible sponsorship was reported as the most important contributor to success for the eighth consecutive study, being cited over three times more frequently than any other contributor. For a change to be successful, executives and senior leaders needed to be involved throughout the change, committed to the change itself and aware of the need for change management. An effective sponsor also established an engaged sponsor coalition, or a network of executives or senior leaders with influence over impacted groups. Participants considered sponsors to be “active and visible” if they were:

- Supporting the change by giving consistent attention to the change and the need for change management
- Championing the change by leading and motivating others in the organization; being the face of the change
- Making effective and influential decisions regarding the change, including the ability to align priorities among other leaders in the organization
- Maintaining direct communication with the project management and change management teams and being accessible during the change

Most critical sponsor activities

Study participants identified three critical sponsor roles and activities essential for the success of a change project:

1. Participate actively and visibly throughout the project
2. Communicate directly with employees
3. Build a coalition of sponsorship

Impact of sponsor effectiveness

Sponsor effectiveness had a direct impact on whether or not projects met objectives (Figure 105). Projects with extremely effective sponsors met or exceeded objectives more than twice as often as those with ineffective sponsors.

Impact of methodology on effectiveness

Participants who used a particular methodology reported higher levels of overall change management effectiveness. Only 38% of participants not using a particular methodology reported “Good” or “Excellent” overall effectiveness, compared to 59% who did use a particular methodology.

Benefits of using a structured approach

Six primary benefits of using a structured approach to change management were identified by participants:

1. Definition of activities, roles, language, processes, tools and assessments
2. Systematic structure resulting in a consistent and repeatable approach
3. Logical, detailed progression of stages
4. Easier to understand and explain
5. Support for the value of change management
6. Identification of gaps and common mistakes

Resources and funding

Participants reported the importance of securing the appropriate amount of funding and resources for executing change management plans. They highlighted the significance of having dedicated resources with change management experience and expertise assigned to the change initiative. Building a change management team or practitioner community made up of flexible, ambitious, decisive and collaborative individuals was also important for driving success.
Use and impact of dedicated resources

Seventy-four percent of participants reported having dedicated change management resources for the project on which they were reporting. The use of a dedicated resource for change management impacted the overall effectiveness of the change management program. Only 28% of participants reporting on a project without a dedicated change management resource evaluated their change management program as “Good” or “Excellent,” compared to 63% of those with a dedicated change management resource.

Advantages of a dedicated resource

Participants identified four main advantages to having a specific person or group dedicated to change management on the project:

1. Provides focus and keeps track of change management activities (stated more than twice as often as the next finding)
2. Acts as a single point of contact with clear responsibility and accountability
3. Has the required knowledge, skills and experience
4. Focuses solely on the change without distractions or other commitments

Most important skills for a great change management practitioner

The study population identified the top five attributes of a great change management practitioner:

1. Change management competency
2. Interpersonal skills
3. Communication skills
4. Business acumen
5. Flexibility

Permanent position or job role

Participants in the 2013 and 2011 studies were asked if their organizations had a permanent position or job role specific to change management. In the 2013 study, the amount grew from 43% to 52% of participants.

More than two-thirds of participants reported having change management job roles in only one location within the organization. For those with job roles in one location (Figure 23), the most common location was the Project Management Office (PMO), followed by Human Resources (HR) and Information Technology (IT). Of the 18% of participants that reported on job roles in two locations, they were most commonly located in Human Resources (HR) and Organizational Development (OD).

Communication

Frequent and open communication was reported as the fourth greatest contributor to success. Effective communication was characterized as:
• Delivering change messages in a timely and transparent manner
• Using effective channels and communicating frequently
• Tailoring messages for the intended audience
• Including clear and compelling reasons for the change and the implications of not changing

Impacted individuals were communicated with in one-on-one and small-group discussions that allowed for feedback. Participants noted that two-way communication throughout the change helped identify gaps and measure progress.

Preferred sender
Participants in the 2013 benchmarking study indicated the preferred senders of messages for personal messages and organization-level messages. Overwhelmingly, the employee’s supervisor was the preferred sender of personal messages, while executives and senior leaders were preferred senders of the business messages.

Most important messages for employees
Participants identified the most important messages to communicate to employees regarding the change:

1. Business reasons for the change (stated twice as often as the next finding)
2. Why the employees should want to participate
3. Impact of the change on employees
4. How the change was happening
5. Additional key messages to employees included:
   • How employees would be supported through the change
   • To whom or where they could go for more information, such as training resources, updates, job aids or requests for additional support
   • Information pertaining to how and when employees would be trained and the necessity and importance of training

Most important messages for managers and supervisors
Participants identified six important messages to communicate to managers and supervisors regarding the change:

1. Roles and expectations for managers and supervisors
2. Business reasons for change
3. Impact of the change on managers and supervisors
4. Details about the change
5. How the change was being implemented
6. How managers and supervisors would be prepared and supported

Employee engagement and participation
Employee engagement and participation in the change were key contributors to change management success. This included a willingness to participate in the change and cooperate with those administering the change. Tactics for engaging employees included delivering training, involving employees in the project design and hosting special events that promoted the change initiative. Participants expressed the importance of making employees aware of the need for change.

Determining if employees are engaging in the change
Participants shared the most effective methods they used to determine if employees were engaging in the change:

1. Using surveys, assessments and feedback systems to measure engagement
2. Observing and interacting informally with change recipients
3. Monitoring engagement through feedback channels and networks
4. Soliciting feedback by creating deliberate opportunities
5. Tracking fluctuations in performance
6. Tracking general use of and proficiency with implemented changes

Individual reinforcement
Study participants were asked to identify the most effective ways to reinforce and sustain change at the individual level. Participants in the 2011 study identified four tactics:

1. Communicating success
2. Providing and collecting feedback
3. Recognizing and rewarding adoption
4. Providing on-the-job support mechanisms

Attributes of effective training
Participants in the 2011 study shared the following insights related to the most effective training techniques:

• Hands-on training was overwhelmingly the most effective training method.
• One-on-one coaching was an important element of the participants’ training efforts.
• While classroom-style training was found to be beneficial to address large groups, small group discussions were also utilized as a training technique.
• Follow-up support was an important element of training to aid in reinforcement.

Integration with project management
Study participants reported engagement and integration with project leaders and teams as the sixth greatest contributor to change management success, a new contributor that had not been identified in previous studies. Engagement included: ensuring the project teams had the change management knowledge, skills and competencies; gaining their support and buy-in for change management; providing coaching and support; frequently collaborating; and holding regular meetings. Integration with project management was achieved by:

1. Fully integrating the change management and project management approaches
2. Involving change management professionals in project phase or gate reviews
3. Integrating change management activities into project phase or gate review requirements
4. Incorporating change management as a work stream in the project plan
5. Supporting collaboration between project and change management teams to develop the overall project plan

Seventy-one percent of participants integrated change management and project management.

**Impact of integration**

Participants that integrated project management and change management reported greater change management effectiveness for their projects compared to participants that did not integrate. Figure 72 shows that 61% of participants that integrated also rated the effectiveness of their change management initiatives as “Good” or “Excellent,” compared to only 34% of participants that did not integrate.

Participants that integrated project management and change management also reported meeting or exceeding project objectives more than those that did not integrate. Figure 73 shows that 62% of participants that integrated project management and change management met or exceeded project objectives, compared to only 45% of participants that did not integrate.

Most critical roles for managers and supervisors

Participants in the 2011 benchmarking study identified five critical roles of managers and supervisors in times of change.

1. Communicate with direct reports about the change
2. Demonstrate support for the change
3. Coach employees through the change process
4. Identify and manage resistance
5. Engage with and provide support to the project team

Participants also noted the importance of managers and supervisors understanding the change itself and their roles. To effectively fulfill the five roles outlined above, managers and supervisors need timely and complete information to communicate to their direct reports. Managers need key talking points on the need for change, details about the change, benefits of the change and anticipated challenges. Managers and supervisors also need a foundational understanding of change management and the roles in leading the people side of change.

Most common mistakes

Participants in the 2011 study identified the most common mistakes made by managers and supervisors in times of change.

1. Lack of visible support and involvement
2. Failing to understand or listen to employee concerns
3. Insufficient communication to impacted employees
4. Resisting the change
5. Poorly leading, coaching and supporting employees

Steps to get managers and supervisors on board with the change

When asked what specific steps were taken to get managers and supervisors on board with the change so they could effectively engage their direct reports, participants gave the following responses:

1. Emphasize communications
2. Hold meetings
3. Focus on awareness
4. Provide materials, tools and support
5. Engage and involve managers

Other steps that participants identified included delivering training and workshops, providing coaching, sharing project updates, leveraging sponsorship, clearly defining roles, using surveys and assessments, and leveraging change agents or change champions.

References


Tim Creasey is a thought-leader in the discipline of change management, having led six benchmarking studies over the last decade. He is currently the Chief Development Officer at Prosci.

Tracy Taylor is Prosci’s Research and Development Lead Analyst and led the 2013 benchmarking study with over 822 participants from around the world.
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The HR Executive as a Strategic Resource:

Identifying and Supporting Major Change Endeavors

By Daryl Conner
Why do so many C-suite leaders not view HR executives as valuable change resources? There are many contributing factors. One is that senior leaders often think the HR executive views all major change initiatives as equally deserving of attention and resources. Senior leaders know they cannot spread their mindshare, time, and funding uniformly across every significant endeavor that is approved, so they tend to place less value on the change-related counsel they receive from the HR function. When these attitudes and perceptions prevail, either HR executives are left out of discussions where leaders determine how best to implement key change initiatives or they are given only a perfunctory role. HR executives can prevent or close this credibility gap and enhance their authority with C-suite leaders by being judicious when recommending expenditures of time, effort, and money on implementation assistance for change initiatives. To that end, this article explores three criteria for distinguishing the most essential endeavors on which senior HR executives should focus their attention with C-suite leaders. In addition, it outlines an assessment approach that can be useful to both the HR executive and senior leaders.

Determining When Change Initiatives Require Special Attention

As an advisor to C-suite leaders for more than four decades, I have learned that the most reliable way to determine whether a change initiative is in need of special attention and resources is to measure its “degree of difficulty.” Consider three implementation realities:

- Transformational change is more difficult to execute than incremental shifts.
- Realizing the intended benefits of an initiative is more difficult than installing new skills, technology, processes, or procedures.
- Business imperatives are more difficult to fulfill than “good ideas.”

The above axioms serve as the basis for three corresponding questions:

- How much change does the initiative represent?
- What results must be delivered to fulfill promises made?
- How crucial is the success of this initiative relative to all other major initiatives in place or planned for the organization?

These three key factors—How much change? What is the desired result? How crucial is it to succeed?—help determine a change initiative’s degree of difficulty. They are described in detail below.

Determining How Much Change Is Required

Initiatives of a continuous improvement nature (incremental change) have a central place within all organizations. For example, without Six Sigma and other such methodologies to keep a constant vigilance on quality enhancement opportunities, organizations would never harvest the full potential from their processes and procedures. Transformational change, on the other hand, dramatically alters the course of current actions. These projects are not designed to refine what is already in place; they are intended to reshape some aspect of current operations.

Incremental change has several identifying characteristics:

1 Serving in an advisory capacity on change is just one aspect of a broader and evolving HR functional role that has been emerging in recent years, that of an internal consulting organization to the C-suite and the enterprise. As R.M. Vosburgh points out, this “big leap” opportunity is to develop the strategy, structure, and skills to evolve into an effective internal consulting organization that addresses talent and strategic, change-oriented issues.
2 W.M. Kahnweiler has identified a number of key broad-based reputational challenges faced by HR executives.
3 The introduction of continuous improvement techniques to an organization unfamiliar with them may be transformational in itself, but once the new methods and thought processes are fully embedded, their use is to foster continuous, not transformational, change.
This article explores...criteria for distinguishing the most essential endeavors on which senior HR executives should focus their attention with C-suite leaders. In addition, it outlines an assessment approach that can be useful to both the HR executive and senior leaders.

- A focus on methods, systems, and behaviors
- A clear and single direction
- Improving the familiar
- Relatively stable execution
- Few changes and/or affecting a small span of the people
- Minor disruption to people’s expectations
- The path forward is linear (logical extension of and improvement upon what is still generally working)
- Minimized mistakes
- A marginal impact on the political and social terrain
- People are not expected to examine who they are, what they value, or undertake any personal development beyond the tactical request of the incremental change
- A small number of people are unwilling and/or unable to do what is asked of them

In contrast, transformational change has several salient qualities:

- A focus that includes behaviors but extends to mindsets as well
- No single right answer... part of the challenge is to determine from the many possibilities which one (or which combination) is the best fit for the problem at hand
- The exploration and pursuit of unusual and creative alternatives
- Execution of the change even though it causes ongoing disequilibrium for everyone involved
- Many changes and/or affecting all or most of the people
- Major disruption to people’s expectations (perceived either positively or negatively)
- The path forward has many interdependent components (requires a high tolerance for ambiguity and paradox)
- People rely on learning from mistakes
- People can only succeed by examining who they are, what they value, and how they can develop knowledge and skill they didn’t previously possess
- Significant impact on the political terrain (new players, power shifts, etc.)
- A sizeable number of people unwilling and/or unable to complete the journey

Because of these kinds of characteristics, transformational change initiatives are inherently more difficult to orchestrate than those with supplemental improvement objectives.

**Determining an Initiative’s Desired Results**

Unless an initiative ends in an outright meltdown, there are two basic outcomes from a change:

- **Installation**—putting something new in place
- **Realization**—achieving the true intent of the endeavor

Installation occurs when an organization introduces an important change (e.g., merg-

**Putting the Degree of Difficulty (DOD) Assessment into Action**

A hospital system in the United States had grown rapidly by consolidating a number of regional hospitals and care centers to meet the competitive demands for scale in a changing regulatory environment. It had previously established an internal Center of Excellence (COE) within the corporate Human Resources function to provide change execution support.

The hospital system quickly became “over-subscribed with change initiatives,” and the COE was relatively small in comparison to the requests it received for implementation assistance.

The Chief Human Resources Officer (CHRO), in discussion with the CEO, decided to limit the scope of the COE’s responsibilities to the most crucial endeavors in the organization’s portfolio. The COE filtered each project that requested corporate funding using the DOD criteria (the assessment tool described/provided in this article) and created a triage ranking system to deploy various types of change support.

COE internal consultants were assigned to top-ranking projects as change agents.

Second-tier projects received less intensive support though a half-day orientation on implementing change, a “Change Execution Guidelines/Tool Kit” (basic concepts and assessment materials) and a “hotline” where project personnel could speak to someone in the COE for advice on various issues.

Personnel involved with third-tier projects were provided with the half-day orientation but not the tool kit or access to the “hot line.”

This approach enhanced the CHRO’s influence with the senior leadership of the hospital system and, importantly, allowed the hospital system to deliver on the promised benefits from its most critical endeavors.
er, reorganization, and updated processes. The sequence of events may include announcing the endeavor, restructuring and reassigning responsibilities, providing new equipment or software, training, or a host of other related activities.

Realization of the full intent of critical change is the only way to accomplish truly dramatic leaps in ROI. An organization achieves realization when it goes beyond just deploying the change and reaps the full business benefits it anticipated when the organization allocated the resources to pursue the initiative (for example, a 10% increase in productivity, or a 15% decrease in customer complaints).

Most organizations do a relatively good job of figuring out how to frame their strategic problems or uncover new opportunities. Unfortunately, too many do not execute against their intentions well. The difficulty is seldom that the change just does not happen; the more common situation is that it is only partially implemented or never really used as intended. This occurs for a variety of reasons—failure to understand the true intent and scope of the effort, mixed signals from management about its importance, resistance from those being affected, competition for time and attention from too many other initiatives, and so on. This is why are there so many organizations unwittingly applying their resources toward installing new solutions rather than fully realizing their anticipated benefits. While they effectively plan the proper courses of action for putting the components of the change in place, they fail to adequately execute the steps necessary to deliver realization.

Determining How Crucial an Initiative Really Is

Good ideas can be seductive. Organizations seldom pursue major initiatives that are not in some way intellectually sound and supported by a strong business case. Leaders who become infatuated with too many good ideas, however, begin a project “all psyched up” but then they get distracted and don’t do what’s necessary to ensure the project’s success. These good ideas look reasonable on the surface, but each one requires a certain amount of mindshare and resources to accomplish. At some point, assets are exhausted and those good ideas fall by the wayside.

The commitment to business imperative initiatives is different. There may be a “sound reason” for following through on a good idea, but a business imperative means the price for not resolving the problem or not taking advantage of the opportunities is prohibitively high. This is when people will hear a CEO or senior line leader say, “This initiative will not fail on my watch” and mean it.

The resolve required to face whatever challenges are involved and pay whatever price is incurred in a business imperative change is much greater than that needed for “good ideas.” This amount of dedication, however, also brings greater degrees of difficulty because leader commitment at this level is always more intricate, complex, and demanding to achieve than what is called for to execute projects requiring less determination.

Steadfast resolution can sustain people during the inherent hardships they will encounter. However, it is also important to understand that this kind of commitment increases the demand on energy and resources. If they are to reach the intended results, leaders responsible for truly important change initiatives should respond with a heightened sense of involvement and a strong resolve to apply extraordinary effort and resources. The bottom line is that it is easier to be half-hearted about something than to put one’s full self into it.

Assessing an Initiative’s Degree of Difficulty

Turning back to the issue of HR executives’ credibility with leaders, it is crucial that senior leaders view these executives as in service to, and closely aligned with, their ambitions and intentions for transformational change. If not, the HR executives’ ability to influence a strategic initiative’s outcome will be severely hampered.

As stated earlier, one of the ways HR executives can bolster their credibility with C-suite leaders is by not being eager to apply implementation assistance to every initiative that surfaces. They should take a neutral position about whether to apply special implementation efforts to a particular initiative until after leaders and other key players on their team have conducted a Degree of Difficulty assessment and discussed the results.4 In this way, attention and resource allocation can be determined by an initiative’s degree of difficulty.

A change is difficult to implement when it falls somewhere between easy and impossible. The “difficulty criteria” is clear (how much change is involved, what is the desired result, and how crucial it is to succeed). However, determining whether a particular

4 Click here to access a Degree of Difficulty assessment tool that guides this kind of analysis, www.connorpartners.com.
At the low end of the Degree of Difficulty scale are change efforts that are incremental in nature, have installation as an acceptable outcome, and are considered good ideas. At the high end of the scale are initiatives that are transformational in their intent, realization-based, and are business imperatives.

Most change projects fall somewhere between the two extremes. Some might be of the highest importance (business imperative) and nothing less than full realization will suffice, yet the shifts themselves fall within the limits of continuous improvement, not paradigm leaps. Other efforts might be highly transformational but not necessarily constitute an absolute necessity to accomplish.

Organizations display different levels of tolerance for facing implementation difficulty. For example, consider how each of the three criteria on the Degree of Difficulty Assessment (see footnote 4) are measured on a 20-point scale. One organization might feel comfortable with no extra implementation attention given to a project that scores 15 on the transformational factor, while another would invest special resources to any initiative scoring 10 or above.

These three factors should not be addressed independently. They require examination from a holistic, integrated perspective. For some organizations, any change that comes close to being realization focused or a business imperative alerts leaders to be particularly careful with implementation. Another organization, however, may take the position that both must score high before any extra effort is put into implementation.

Assessment tools such as these are helpful in objectifying an analysis, but this is not a subject that lends itself to diagnostic interpretation alone. It is always valuable to collect impressions from key people who understand an initiative's implications and then use this information, with the analysis, as the basis for discussion before a decision maker determines a path forward. Encouraging leaders to engage in an objective assessment and this level of thoughtful discussion can help HR executives bolster their own credibility by removing the “one size fits all” approach to change execution.

Increasing the Odds of Success

C-suite leaders who consistently achieve their transformational change goals typically demonstrate clear, discernible patterns of behavior. They insist on degree-of-difficulty-type analyses and deliberate, fact-based discussions for all initiatives that appear both to be essential and to pose implementation risk. With this information in hand, a decision can be made either to: 1) allocate the proper attention/resources needed to succeed, 2) reduce the overall scope and aspiration of the effort to a range requiring less attention/resources (by lowering the burden of one or more of the three criteria), or 3) decide not to move the initiative forward.

Leaders who tend to fail at their initiatives also display distinct behavioral patterns. They either: 1) do not include degree-of-difficulty-type analyses and discussions as part of their due diligence for approving projects, 2) sanction endeavors naively, thinking there is an unlimited amount of mindshare/resources that can be applied to change, or 3) sanction initiatives despite knowing that projects require more attention/resources than will be allocated.

It is clearly possible to increase the likelihood that strategic changes reach their full realization. It starts with a thoughtful analysis of the degree of difficulty of the change, followed by a careful determination of the level of C-suite time and attention required to ensure its success. An HR executive who is effective on matters of change encourages this type of due diligence before suggesting leaders make any extraordinary investment of themselves or the organization’s assets toward a change venture. Again, judicious recommendations go a long way in building credibility and earning trust.

Conclusion

By taking into consideration the issues outlined in this article and providing leadership with a structured framework for exploring them, HR executives can earn and maintain a seat at the table when important change conversations take place.

References


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He has authored two books—Managing at the Speed of Change and Leading at the Edge of Chaos—and more than 250 publications, including journal and magazine articles, monographs, book chapters, and videos. Daryl’s blog, Change Thinking, is written for change management professionals who want to raise the level of their game and that of the field of change execution.
Habits as Change Levers

By Daniel Denison and Levi Nieminen

Lasting changes must be embedded deeply within the fabric of an organization. Changes that don’t “stick” won’t improve the performance or effectiveness of an organization. A useful framework for understanding the deeper human and social elements of organization change is the organizational culture perspective.

Over 30 years of scholarship has shown that culture can be either a potential springboard or a potential barrier to change within organizations, and that ultimately, culture is a key driver of business performance (Sackmann, 2011). Recent advancements in practice now allow change professionals to use a well-researched set of tools to diagnose organizations and to plan interventions to create change.
Embedding Change in “the Deep Levels of Culture”

The “iceberg model” is the dominant way of representing the multiple layers of culture (Schein, 1985). Above the water’s surface, artifacts are the visible, tangible manifestations of culture in various attributes of the physical workplace. Just below the surface, espoused values characterize the preferences and aspirations that are shared within the organization and which contribute to a shared sense of identity and meaning. Behavioral norms and work practices also reside at this level, constituting “the way things are done around here.” And in the deeper water, far below the surface, lie the beliefs and assumptions—the underlying mindsets—which shape the culture at a fundamental level and influence its manifestation at all other layers. Together, these visible and invisible layers comprise the culture of an organization (see Exhibit 1).

As a conceptual model, the iceberg creates an awareness of depth for practitioners, reinforcing the idea that much of what drives behavior in the organization is hidden from plain view. This, of course, encourages us all to look for those deeper factors, making necessary a set of diagnostic tools and methodologies that are up to the task. The iceberg also focuses the point of change intervention at the deepest level, at the layer of underlying beliefs and assumptions. According to the theory, it is this deepest layer that is the most consequential for the organization—this is the part of the iceberg that “sinks the ship”—and hence where the most crucial action needs to be focused. Accordingly, change needs to be embedded at this same depth to have a lasting impact within the organization.

The iceberg model has had a profound influence on both the academic study of culture and the way in which practitioners affect culture change in organizations. This three-level model has often been interpreted to suggest that changes must be targeted at one of the three different levels. Interventions at the levels of visible behaviors or values are sometimes downplayed in favor of the points of leverage that exist in “the deeper levels of culture.” Because beliefs and assumptions are cognitive, in that they reside in the minds of people, this suggests the most impactful interventions ought to be “psychological” in nature. In a practical context, this frames the intervention in a way that might either be construed as ‘off limits’ (i.e., not modifiable) or “off putting” to business leaders (i.e., generating skepticism or negative stereotypes). More importantly, we think it misses an opportunity to address the targets of change that span across these three levels emphasized by the iceberg model.

The habits and routines that span these three levels of culture guide much of what happens within organizations, yet they have received little attention from organizational scholars and practitioners. It is here, in these “automatic” and repetitious behaviors that practitioners can find a powerful point of leverage to affect the change process, deep within organizations.

Habits: Old and New, Good and Bad

Drawing on neuroscience, Graybiel (2008) provides a technical definition of habits as the: sequential, repetitive, motor, or cognitive behaviors elicited by external or internal triggers that, once released, can go to completion without constant conscious oversight (p. 361).

Decades of research has shown that habits are:

- predominantly acquired through experience and interaction with the environment;
- are repetitious and can become resistant to change, such as in addiction;
- are performed with little conscious thought or effort;
- can be elicited by environmental or internal cues; and finally,
- the expression of habits can be behavioral or cognitive, such as in habits of thought (Graybiel, 2008).

For the individual, habits are both functional and, sometimes, problematic. Personal habits provide structure and constancy, reduce uncertainty, and free up cognitive resources for a select number of complex tasks. Habits can also be dysfunctional, such as when they are expressed rigidly despite a context mismatch (i.e., mindlessness) or when individuals fail to appropriately switch between automatic and effortful behavior (Luis & Sutton, 1991). The powerful effect of personal habits has been studied in a wide range of situations, from healthcare to the workplace and competitive sports (e.g., Grant & Schempp, 2013).

Habits also appear and are enacted with consistency among and within groups of people, from families to societies. Organizations, too, have habits and routines (i.e., larger, sequenced bundles of habits) which set them apart and provide internal structure (Pentland & Feldman, 2003). Habits are inherently cultural. They reflect all three levels; the underlying assumptions about “the way we do things around here,” the values that those assumption represent, and the visible behavior and artifacts that we can see in action. Functionally, they capture the organization’s specific knowledge that has been created over time and then translate that knowledge into action in an efficient way that conserves energy and resources. Denison, Hooijberg, Lane, and Lief (2012) developed a useful framework (see Exhibit 2) that puts habits and routines into one of four categories based on two aspects: good or bad and old or new. Each combination calls for a different set of possible actions.

Bad, Old Habits: Unlearn and Leave Behind. Bad habits are “like chains that are too light to feel until they are too heavy to carry,” as Warren Buffett said. Often, we are too late to realize how restrictive our old habits have become and miss the opportunity to do something about them. Unlearning these well-established habits can be very difficult, but that is exactly what needs to happen. To leave behind bad, old habits, organizations need a clear focus on the areas of consensus about these targets for change. With a clear
focus, organizations can start building progress and momentum and develop the experience and conviction to take on bigger challenges.

**Good, Old Habits: Preserve and Strengthen.** In the midst of organizational change, it can be easy to forget to protect those elements of the culture that made the organization great. Some of the old and well-established habits and routines from an organization’s past are still essential to the organization’s success in the future. They are clearly understood by the organizational members, make up a key part of the organization’s mindset, and are closely linked to other aspects of the organization’s functioning. Therefore, it is vital for organizations to clarify the core habits and routines that they need to preserve and strengthen.

**Bad, New Habits: Rethink and Try Again.** During the time of change initiatives, organizations attempt to create various new habits and routines. However, culture change requires a lot of trial and error. Creating a new set of habits and routines does not always mean that they are going to work as intended the first time and fit the situation well. The culture of every organization represents its wisdom accumulated through years of experimentation. Enlightened trial and error is critical when trying to create the new habits and routines to transform an organization’s culture.

**Good, New Habits: Invent and Perfect.** The opportunity to create new habits might be the most exciting part of the culture change process. However, creating new habits and routines is difficult, as there are several pieces to the puzzle. Mindset, behavior, and systems must all change together to reinforce the adaptation process for the organization. Organizations cannot simply change people’s mindsets, prescribe a new set of behaviors to follow, or mandate a new system. Instead, organizations need to persistently push harder and harder on all three of those levers at once, until signs of success manifest and encourage others to join in to help build the momentum.

Analyzing an organization’s culture as a bundle of habits that fit into these four categories serves to focus the discussion on key areas of consensus that reveal a targeted and practical agenda for change.

**Identifying Keystone Habits: Three Case Examples**

One of the inspirations for our attempts to understand how organizations identify the keystone habits that are the most promising targets of intervention comes from Charles Duhigg’s best-selling book, *The Power of Habit* (2012). In this book, Duhigg tells the story of the early days of Paul O’Neill’s term as CEO at Alcoa. After a long struggle to find some targets for improvement that would be supported by both the management and the workers at Alcoa, O’Neill decided to put his emphasis on safety. During a time when there was little alignment between management and the workers, this was the area that he saw as being most likely to build collaboration. The organization set the goal of having zero injuries, and the main point of intervention was that all injuries, worldwide, must be reported to the CEO’s office within 24 hours. The best way to solve this problem, or course, would be to have no injuries. Though the goal of zero injuries was not achieved, both management and the unions learned to move fast with a level of transparency that was unprecedented.

This safety effort took serious commitment by everyone involved, but in the end it was very effective. The unexpected impact was that changing this single set of habits and routines concerning the way that the organization managed safety incidents created a level of transparency that was new to the organization. The company discovered that...
it could share information about performance, about best practices, about business opportunities to a much greater degree than it had in the past. So, these underlying beliefs about transparency and collaboration spread broadly throughout the organization. O’Neill credits this process with leading Alcoa to a dynamic, new level of performance that lasted for most of the decade.

A second habit change example involves the Metropolitan Transit Authority (MTA) of New York City, which manages all public transportation in and out of the city. This includes a high-volume subway system, which carries an average of 5.4 million passengers per day (1.6 billion per year)! Servicing the 820 miles of track comprising the subway system is a major and ongoing task, one of several maintenance functions that are crucial to keeping the trains moving and the people on them safe. In the past, all maintenance to the tracks was done on the weekends, late at night when the train volume was lowest. With the crews repairing the tracks in the short windows between oncoming trains, the maintenance work was slow, expensive, and quite dangerous. However, the old strategy was deeply engrained in one of the MTA’s strong points of pride: keeping the trains moving, no matter what and at all costs! The keystone habit in this case directly challenged this point.

In 2010, the subway system experienced a number of high-profile safety incidents, culminating in a worker fatality in April and then a blizzard in December that left some passengers stranded in train cars for over 12 hours without food, water, or heat. Following these incidents, an unprecedented reaction was a widespread outcry. Subway passengers, like MTA workers, were unaccustomed to any interruption to service. Over time, however, the sweeping, positive effects were staggering! FastTrack improved productivity, saved money (estimated savings of $16.7 million in 2012), cut accident rates nearly in half, and increased train reliability by nearly 5%. The successful implementation of this program was no small strategic and operating feat, but at the core, the MTA achieved a shift in one fairly simple keystone habit: they can stop the trains.

A final example involves GE Healthcare China. GE entered an emerging Chinese market in the early 1990s. In the decade that followed, GE expanded its anesthesia business through the acquisition of two companies, Datex-Ohmeda and Zymed, both of which were strong global brands with a presence in China. Zymed became the center-point of a new and growing business, Clinical Systems Wuxi (CSW) in Wuxi, China. CSW was responsible for the design, engineering, and production of anesthesia equipment. The rapid growth of this business exposed increasing weaknesses in quality and declining customer reputation, eventually resulting in the business halting distribution of products for a period of time.

In 2007, a new general manager was appointed, Matti Lehtonen. It was clear to Lehtonen that restoring quality and customer service should be the top strategic priorities moving forward. Lehtonen and his senior team implemented a simple yet extremely powerful intervention by requiring their engineers to visit operating rooms and witness their anesthesia equipment being used in live surgical procedures. In this case, a single habit—sending people out to where the customers are—had a profound set of cascading effects. Seeing the equipment in use added new meaning and clarity about the purpose of the work and provided the engineers with a deeper appreciation and understanding of the specific needs of multiple end users, including the patients, the doctors and nurses, and the hospitals and insurers. Over time, this keystone habit did help to restore quality and customer reputation. It also broadened the role and skill set of the engineers and became a focal point for talent recruitment and retention. Moreover, it opened up new insights and new product innovations, and by 2010, one of these new products was shipping to emerging markets all over the world!

From these case examples we can begin to learn some useful principles for targeting keystone habits as high impact areas of action. Below, we outline three principles for change management professionals to consider.

### Principles for Intervening on Keystone Habits

**Principle 1: The diagnostic process should differentiate keystone habits from ordinary habits by looking for impact and interconnectedness.**

Like most change efforts, the process begins with diagnosis. The cascading effect seen in Alcoa was described by Duhigg as serendipitous, but acting intentionally to modify or build keystone habits calls for a reliable diagnostic process that pays attention to the right factors. Practitioners need to develop the skills (and methodologies) to identify and distinguish keystone habits from ordinary habits. Each of the case examples above highlights two interrelated factors that can

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1 For more on this case, see Denison, Hooijberg, Lane, & Lief (2012).
New habits are unlikely to take hold in organizations without diligent and concerted efforts for socializing and embedding them.

help to focus the diagnostic process: keystone habits are linked to the organization’s effectiveness (impact), and keystone habits are tightly interwoven with other habits, routines, and processes in the organization (interconnectedness). This means that intervening on keystone habits is likely to have a cascading effect, so that change started in one place leads to many other changes in many other places. For example, the act of eating together strengthens the social bonds within the family but also aligns a number of the habits and routines leading up to and following the mealtime.

**Principle 2: Keep the scope of intervention small by tapping into the right habit(s) and affecting scalability through the repetition of this habit.**

When it comes to intervening on keystone habits, the “scalability” of impact is hardly determined by the size or scope of the intervention. Habits are repetitive. Some are repeated on a daily or weekly basis and others moment to moment. This is a powerful reminder that the best interventions will stay focused and tap into the right habits rather than attempting to “boil the ocean.” As one example of a small habit with large implications, Mallidou, Cummings, Schalm, and Estabrooks (2012) found that minor interruptions in nurses’ interactions with patients, such as when called to assist another patient or staff member, have a significant deleterious effect on patient care and health outcomes. A simple but powerful intervention in this context could redefine the keystone habit as “staying with your patient to completion of each interaction.” Of course, this might also require unlearning some bad old habits, such as responding to all requests, even the minor and nonessential ones.

**Principle 3: Use storytelling and celebration to “ritualize” the performance of keystone habits.**

New habits are unlikely to take hold in organizations without diligent and concerted efforts for socializing and embedding them. We think that finding ways to reinforce keystone habits and make their performance rituals within the organization is an important part of the solution, so that the desired behaviors take on greater symbolic and psychological meaning over time. The meaning of rituals is often created and reinforced through storytelling and celebrations, or as Durkheim suggested, through the communication of social norms that distinguish the “sacred from the profane” (as cited by Boyce, Jensen, James, & Peacock, 1983). These are opportunities for the organization, often leaders, to clarify the value of the new, good habits and the need to extinguish the bad, old ones.

**Conclusion**

Viewing organizational cultures as bundles of habits and routines, we believe that “keystone habits” in particular can serve as powerful leverage points for change management professionals seeking to embed their work deep within organizations. Daunting as culture diagnosis and intervention may be, focusing on small habits with big implications might be the best place to start and a great way to ensure that the change does far more than scratch the surface.

**References**


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Less Is More: Two Noninterventionist Approaches to Successful Change

By Lisa Francis-Jennings and Jane Lewis
Complementary ways of achieving this balance, Content Neutral Facilitation (CNF) and Positive Deviance (PD) facilitation are used to build momentum and engagement for resolving high-stakes challenges. Sharing a common language, these approaches enable resilience and empower the community to problem-solve and innovate effectively. Encouraged throughout the organization, Positive Deviance and Content Neutral Facilitation can offer HR professionals significant advantages in evolving their teams.

While Content Neutral Facilitation galvanizes people positively around “what could be,” frees up creative problem-solving energy and starts new conversations, Positive Deviance allows people to open up their understanding and appreciation of “what is,” revealing many talents and practices that can be recognised and leveraged quickly. Positive Deviance creates temporary “liberating structures” and rolls back boundaries so people see with “new eyes.” Evolved to solve “wicked” community problems in the developing world, Positive Deviance facilitation discovers the behavioural variation between the ‘community’ norms and the positive exceptions that succeed using the same resources, against the odds. Applied in the business world, the Positive Deviance Approach delivers quick gains, collaboration and confidence within the organization. Working within existing constraints, it can be the catalyst for positive change from within, by focusing on what works and amplifying it. Most exceptional practices can be taught and copied if understood in enough detail—and quick,

**TABLE 1.**

<table>
<thead>
<tr>
<th>Use PD or CN Facilitation to:</th>
<th>CN</th>
<th>PD</th>
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<tbody>
<tr>
<td>Define purpose, mission or sustainability strategy</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Catalyse bottom-up Org Change, considering stakeholder needs / company values</td>
<td></td>
<td>X</td>
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<tr>
<td>Create dialogue between top management and front-line staff</td>
<td>X</td>
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<tr>
<td>Garner front-line ownership for need to change, (e.g., call centres, customer service)</td>
<td>X</td>
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<td>Plan succession, engage top talent</td>
<td>X</td>
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<tr>
<td>Identify and replicate successful training programs</td>
<td>X</td>
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<tr>
<td>Define/streamline processes [break-points] and procedures, consolidate departments</td>
<td>X</td>
<td></td>
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<tr>
<td>Replicate the successes of one division to another (M&amp;A)</td>
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<td></td>
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<tr>
<td>Build a new division within an organization</td>
<td>X</td>
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<tr>
<td>Define and resolve problems using evidence based data/information</td>
<td>X</td>
<td></td>
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<tr>
<td>Coordinate services: practical experiments</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Build collaborative decision making</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Overcome red tape &amp; constraints, in processes, systems, policies and resources</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Understand the customer perspective and act accordingly</td>
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significant changes can be made from small changes in practice.

A participant described this PD approach as “laughs and lots of learning.” While a set of underlying principles create the supporting ethos for sustainability, collaboration is fundamental to this “bottom-up” approach. The iterative process enables co-workers to frame, measure and tackle problems that frustrate them. A supportive enquiry and observation exercise is done, peer to peer, to discover successful, but hidden practices, whose “owners” often do not realize that they are the exceptions.

CNF was used to highlight breakpoints in customer interaction and to resolve root issues without blame or recriminations. The result: increase productivity through a more integrated process and an energetic customer service team.

The process helps participating groups learn many different skills and techniques that support problem solving and achievement in a complex, fast-moving environment. It has a uniquely powerful combination of “hard” analytical and data-based techniques alongside “soft” techniques (storytelling, group coaching), all focused on measurable, shared outcome targets to which people are committed.

Leaders learn how to trust their staff—to let go and yet actually improve controls. Frontline workers learn that data and evidence can be their friend rather than a challenge. Energy, ownership and enthusiasm are created because the volunteer groups create and demonstrate the validity of the new solutions, and relationships between individuals and teams are improved.

PD has made significant inroads into acquired infection rates in U.S., Canadian and Latin American hospitals. In each location, the core team consisted of all levels from consultants/doctors to janitors. They involved and engaged all areas and specialties (including patients, visitors, clergy and catering) in fostering ownership and personal responsibility for preventing the spread of infection. The team uncovered and replicated clever behaviours: for example a janitor disposed of used gowns by folding them inside used latex gloves, keeping infection on the inside.

An entrepreneur engaged me to assist in renewing the vision for the retail side of his business. The two-part Content Neutral Facilitation involved key members of his team and highlighted some major issues that were not commonly known by the owner or by other parts of the organization. It also surfaced some great opportunities. The outcome: parts of the unprofitable retail business were sold, while the wholesale side of the business was expanded. Leveraging the talent of the team more fully, the company reorganized sales to include a product knowledge hub, which increased customer contact and profits!

During business continuity planning, CNF was used successfully to identify issues related to personnel-dependent critical processes. One problem that no one had wanted to address was that all the legacy systems in the organization were maintained by one person, and he had not been on vacation in two years! Using CNF, the team quickly confirmed the real issues for business continuity and then created a “picture” of the “ideal state.” The facilitator guided the group back from the “ideal” using a number of sensory-motivated exercises which fleshed out the requirements and laid out actions which would reduce risk.

Content Neutral Facilitation is used with large and small groups to tap explicit and tacit knowledge at all levels of the organization. An objective facilitator, trained in the process of discovery, but not necessarily a content expert, guides the group through a series of structured exercises designed to quickly define the problem, consider a number of solutions and select those most likely to produce the desired/required results. Whether creating value propositions, new sales strategies to feed innovation, or surfacing “sacred cows” that are holding up processes or talent development, this method assists and energizes participants in tapping more creative and effective ways of thinking!

Sharing information between government organizations was defined as a key problem impacting productivity. PD enquiry and observation revealed that a team member who visited, rather than e-mailing people, got information eight times more quickly than her peers. The perceived wisdom was that e-mailing was quicker, but the hard data showed it to be far less effective.

“It’s easier to act your way into a new way of thinking than to think your way into a new way of acting.”

—Jerry Sternin, Positive Deviance Initiative

—David Straus, Interaction Associates

“. . . collaboration is not value-free. It’s based on some mental models and core values about people and what is possible when people work together . . . [they] require certain heart-sets, as well as mind-sets, to be properly implemented.”
setting up for success

key facilitation concepts guide facilitators of both approaches to ensure groups are set up for success:

1. be neutral. we have all seen the hidden agenda at work and its disastrous effect, so we know it can be difficult for someone with a vested interest in an outcome to lead group problem solving. the first principle of both content neutral facilitation and positive deviance is transparency and objectivity; model and nurture respectful, sustainable behavior while being impartial and objective. the facilitator holds a safe space where people feel free to be enthusiastic or vulnerable, to express loss, confusion, hope, and aspiration, and to discuss or disagree as needed. the facilitator must trust the group to come up with their own solutions, and help the group trust the process which will allow them to do so.

2. engage and enlist the relevant communities and stakeholders in dialogue-based neutral observation, problem solving and celebration. ask questions; use enablers that instil shared respect, improve understanding of diverse perceptual positions, and engage different personalities and interaction styles.

3. help the group deepen their understanding of issues and pin their efforts to actions/behaviours which will elicit the greatest impact. the facilitator must be vigilant that the group is working to resolve the right issue(s); considering quick wins (greatest difference/shortest timeframe) and long-term gains.

4. ensure that data, information and people are made available to create a full, shared picture of the issues.

5. build consensus phase by phase. treat issues (and their resolutions) as a journey, not as a barrier. rework the problem, and the plan, as more information and a clearer picture emerges.

honing the question

this is critical to the success of both facilitation types. good preparation is important. clarifying and honing the presenting problem helps create a question(s) which focuses work and generates a shared purpose. even when the question seems to be on target, the participants will provide new information or input that could change it.

involving the right people

integral to almost any activity is having the right people in the room at the right time. a foundational principle for both types of facilitation is understanding the problem, how it is impacting the organization, and who has a stake in its resolution.

key roles and responsibilities

clarity about key roles and responsibilities creates good boundaries. the sponsor/decision-maker ultimately owns the outcome of the sessions and the implementation plan. it is imperative to have sponsor in the room at key points during the process. the role is to

listen, absorb, answer questions and to flag any boundary issues. in both facilitated processes, the sponsor has to “bite their tongue” as participants are very likely to see the problem differently. managers and sponsors are
coached to allow the team process to unfold without undue interference or input, and the team receives clear instruction regarding roles and responsibility before each session. With the permission of the group, the sponsor/decision-maker may, where and when appropriate, highlight ideas that may seem unrealistic or impossible to implement, and explain why it seems that way.

The team brings experience, a variety of perspectives and energy to the room. It is imperative that the team represent the various stakeholders and organizational levels impacted by the problem.

In both facilitated methods, guided exercises (stories with data or other brainstorming techniques), produce and/or bring together the optimal mix of suggestions, and encourage participants to share ideas. They question and challenge each other and the Sponsor/Decision-maker in an appropriate manner and provide input to the implementation plan.

The highly skilled facilitator manages the process and creates a safe space where all participants are free to discuss ideas and to voice their opinions. The facilitator looks for a positive and productive participant experience and resolution. Both PD and CNF use a variety of facilitation techniques, including sensory-motivated exercises, and time for reflection that allows space for deeper issues to be surfaced and resolved.

Summary

From building effective ongoing innovation process loops to solving wicked problems faced during mergers, acquisitions or apparently simple process reengineering exercises, these facilitated approaches engage and motivate. They involve and energize communities of practice to converge around the Organizational Change process. They teach the organization to solve problems that have defied resolution and to emerge stronger in the process. The need for importing costly external experts disappears because the solutions discovered are owned internally and are tested in context.

Case Study: Positive Deviance

This is an example in social care, an environment where top-down controls do not work well, where personal expertise and autonomy are important and where the knowledge of “non-professionals” is underestimated. It showed that there were effective ways of working, different from the norm, yet still within the rules.
The service was under financial pressure and headcounts were reducing, but the demand for care was increasing dramatically. A volunteer group of eight, representing different roles in the service, defined the problem as lack of time to complete the administration side of their job.

By understanding the impact of how most people worked and discovering that there were already many different ways to get around the problems, using the same resources, systems and processes, the group of eight engaged co-workers in making a difference. They found quicker and better ways of completing care records, dealing with (and preventing) phone calls by managing expectations, and faster ways of working, cutting steps out of the system. All this was achieved alongside the “day job.” It took four months to complete and gave a potential ten-fold return on investment. It also revealed to managers that there were indeed problems with the systems—because the team was able to prove how much down-time system-problems created.

It saved some people 30% of their day and everyone at least 2.5 hours a week (ref: Lewis, 2009).

Case Study: Content Neutral Facilitation

The retention rate for financial personnel within a global company was lagging almost 40% below its competitors. This was causing huge problems in succession planning, productivity, and other key areas within the organization.

The HR person responsible for resolving the retention issue laid out the various aspects of the problem; it spanned several continents, impacted territorial and competitive stakeholders, and influenced critical corporate processes.

Whatever solution was developed would require enough sponsorship to be supported globally, so great effort was taken to ensure the 14 VPs of Finance from around the world attended. A two-part workshop was designed (afternoon of the first day and the next morning). This enabled the VPs to fly in, attend the workshop, and then fly out in the afternoon the following day.

As the participants filed into the airport hotel conference room, the tension was palpable. The facilitation centred on confirming that loss of talent was indeed a problem for every person in the room and on building a common platform of aspiration. Progressing rapidly, using sensory-motivated exercises, participants created an ideal “picture” of the end state. The impartial facilitator urged participants to “trust the process,” flagged issues, managed tempers, and creative, thoughtful suggestions were produced. In about seven hours, the group produced the full backbone for a very implementable Top Talent Retention program. All VPs agreed to hold a workshop with their immediate reports to discuss the output and gather further feedback in a two-week loop.

Thus, the learning from the session, both content and conversation style, began transferring through the different areas of the organization. Within five months, the program had been rolled out and implemented globally. Within the year, retention levels jumped by more than 20% and continued to rise. Even more important, general work satisfaction improved. Content Neutral Facilitation allowed an almost seamless transition from hostile territorial protection to concept engagement and then to execution. It initiated and sustained a new type of conversation within the company.

Further Reading


Lisa Francis-Jennings is one of the founders, as well as the managing partner, of Monterey Consultants S.A. The company works with a diverse global client base, providing consultation and guidance in sustaining business effectiveness. With an MSc in Organizational Change from HEC-Oxford, and more than two decades of experience in consulting, she has particular expertise in Content-Neutral Facilitation and accelerated knowledge transfer between cultures.

Jane Lewis is the program director of the Oxford-HEC Consulting and Coaching for Change alumni group. She is the UK thought-leader in positive deviance (PD) and supports organizations’ own people to find and leverage “positive exceptions.” She created and led the UK’s first PD projects (corporate and community) and has taken the PD process a step further by creating the Hidden Insights® approach. Clients in the UK include local and central government and NHS improvement agencies.
High Engagement Organization Design

By Paul D. Tolchinsky and Lothar Wenzl
Much has been made of the failure rate of change, including restructuring efforts and the lack of true engagement on the part of workers around the world. The conscious creation of organizations has never been more important. How people are organized, deployed, developed and inspired at work is an ongoing challenge for leaders everywhere.

Yet the data is quite clear: Three quarters of the world’s workforce are not committed to their organization, and the numbers are not getting any better (Towers Perrin: Global Workforce Study 2008, Towers Watson, 2012). Only 8% of restructuring efforts are successful in the time frame set (McKinsey Worldwide Survey, 2010); 14% were horrible failures; and the the number one implementation issue was the speed of ownership and commitment (McKinsey Worldwide Survey, 2010).

The case for a different approach to organization design is clear. Organization design changes touch on the most sensitive aspects of human lives, and organizations must execute these efforts more quickly with higher rates of success.

What if leaders and staff could co-create their organizations in ways that motivated, committed and inspired everyone to new levels of satisfaction and productivity. While most of the literature focuses on the “what” of organization design (solutions, hierarchy, bureaucracy, etc), focus can be on the “how”: How to engage the whole system; how to move quickly and completely from one organization model and form to another; how to build and maintain relationships within and across organizational units; and how to overcome the number one reason for failure in design efforts, the ownership and commitment of those who must execute the new.

Large Group Methods offer a unique way to both design and redesign the organization, while simultaneously engaging all of the key stakeholders in the process. Holman, Devane and Cady (2007) have documented numerous approaches to engaging large groups in organization change efforts. These include Open Space (2008), Future Search (2010), Real Time Strategic Change [RTSC] (1995) and Whole Scale Change (2000). Open Space is the most unplanned of the methods. A rough agenda is laid out, an issue is identified to be solved and people come together. The whole of the meeting is self-organized and self-directed. Facilitators simply act as moderators and convenors, with participants determining the direction, real-time. RTSC and Whole-Scale Change are more structured, following a set of guidelines and a planned, predetermined agenda. Both are primarily used in strategy development and deployment across large groups. For a comparison and better understanding of these, we would refer the reader to www.largescalenetworks.com or Tonnie van der Zouwen (2011).

None of these methods address the issue of how to bring the “whole-system” into the conversation and the decisions that need to be taken regarding the organization of the organization itself. These methods are primarily focused on aligning and deploying strategy, vision and mission. An alternative is to take the principles underlying these methods and apply them to organization restructuring efforts. When those most impacted are engaged in the decisions ownership, commitment and speed of adoption will be achieved. Our idea is to build on the foundations laid by these early pioneers, and apply them in face-to-face and virtual organization design deliberations.

The Choices Leaders Have in Designing

The choices are clear. The criteria for deciding which approach is best, in any particular situation, are not always easy to find. If speed is critical, and a fully implemented solution is needed, high-involvement approaches are very effective. If ownership and commitment are not essential for success, then a more traditional design approach is sufficient.

Several years ago, an organization was given one year to transform itself. The clock began ticking on October 1, and the launch date for a re-organized, rejuvenated organization was set for exactly one year later. The leadership team determined that the re-structuring itself (moving the boxes and reorganizing) would be quite easy. The challenge was to have all 450 employees aligned and ready to go, emotionally and intellectually, one year later, in a situation where 30-50% of their job content was likely to change. Over the course of six months, the whole community
came together, first face-to-face and then virtually, to redefine the core business, understand the customer’s needs and define a new organization. There were huge debates, loads of options, and together they defined an end in mind. Everyone was involved in the process, which is very rare. In nine months, they agreed to new solutions and spent the final three months preparing themselves and their systems to make the transition. On 1 October, one year later, they launched their new organization and had it fully operational by year’s end. They exceeded all targets, lost no one in the process, and had solutions that amazed even them.

Another example comes from an Austrian company of 1,500. Over the course of two years, the whole management system and a microcosm of employees were engaged in redefining and clarifying roles, responsibilities, processes and lateral relations. The project was not driven by any threat or massive environmental shift. It was driven by leaders who simply wanted to continuously re-examine what and how they did work. The process ensured high involvement and transparency over time and built a critical mass in the direction of the change. When the final decisions were made, many of the changes had already been fully implemented.

Over the course of the project, the change consultants worked with approximately 175 staff members, customers and suppliers. Town Hall meetings occurred after every FDS, in smaller groups, on-site at the various locations. For continuity, 25% of each session was made up of those attending one of the previous sessions.

While the consultants never engaged the whole system in one large group session, they did build critical mass for the redesign such that everyone impacted had a say in the final results. (See Principle 3: Design Is a Journey, Not a Destination in the next section.) More than 500 leaders, managers and staff participated in all or a part of the decisions that shaped their futures.

At a division of a large American bank, nearly 800 staff were impacted by a technology change. The implementation of a new IT software system dramatically altered the job content of 50% of the staff, streamlined operations and impacted four-to-five different operations. Over the course of the restructuring, the design process engaged more than 500 employees in a series of facilitated design sessions and town hall meetings. Event Planning Teams (EPT) set up and attended Facilitated Design Sessions (FDS). (See Figure 2: FDS is pink in this picture; three (among four in total) are represented by this “project plan.”) Each FDS engaged approximately 175 staff members, customers and suppliers. Town Hall meetings occurred after every FDS, in smaller groups, on-site at the various locations. For continuity, 25% of each session was made up of those attending one of the previous sessions.

Principles and Practices

Begin with the End in Mind: We strongly believe that whenever we start a process we need to know what we want to have created when we have completed the task. What will be the cognitive and emotive state of an organization when it would be ideally designed? This doesn’t focus as much on goals or KPIs; it’s more about the Preferred Future, which describes the desired collective behavior at the end of the process. The clearer this is, the easier it gets to go for it. Redesign work begins with engaging a diagonal slice of the stakeholders (sometimes customers and suppliers, always managers, executives and staff) in defining a future everyone can get excited about. In the examples provided, the design process begins by engaging a critical mass of impacted individuals, either in face-to-face or virtual settings to create an image of the end in mind. Sometimes it is a picture, often a set of principles or criteria to achieve, and always it is an aligning activity. The process is to ask what will be different as a result of the re-design, and collect this information from the broadest cross-section possible. In the example of IBM (in the next section), this could engage thousands. At HCL in India, it begins with 50,000 and takes three months to cascade and touch everyone.

Engage as Many Microcosms as Possible: New strategies for designing organizations must engage stakeholders of all types in the process. Today, these include customers, suppliers, staff, trade unions, works councils, investors and even governmental agencies. The largest microcosm is obviously the whole system, and this is often impractical and even unnecessary. The critical issue is building sufficient momentum in support of the decisions. Knill Energy, a family-owned business in Austria, merged two businesses over the course of eight months. The leadership team did much of the strategic thinking and set the framework. Its decision was to engage a critical mass of the staff in finalizing and implementing the new organization. Every four to six weeks, a microcosm of the whole participated in what was called “Resonance Sessions.” These were intended to shed light on the leadership’s thinking, validate ideas, provide critical and appreciative feedback and, ultimately, build commitment on the part of those attending.

Over the course of the redesign, nearly the entire staff and all of the management system had an opportunity to provide input
period of time to capture the pulse of the group or to solicit specific ideas to critical business or societal issues. Jam Hosts and facilitators guide participants to build on each other’s ideas—supporting a meaningful exchange of perspectives by a focused audience around a shared topic. Real-time text analysis and data mining are used to highlight emerging trends and distill actionable results. Over the course of one or more weeks, design solutions emerge and the whole system aligns and agrees (Pietrzak, European Organization Design Conference, 2013).

**Design Is a Journey, Not a Destination:** In our work, large groups of employees engage in a series of structured dialogues. Not everyone goes to every destination, and yet everyone goes on the journey! This includes the use templates and wall charts, hung on the walls and strewn around the room, to enable groups to share their thinking and “talk” to one another. High engagement requires that people share and compare. Organization design entails exploring alternatives and divergent thinking: you cannot create what you cannot imagine, and a design activity should begin with divergence and then move to convergence.

As another example is a client that took a microcosm [maximum mix] of its system on a “Learning Journey” to discover the best of the best from other companies. In many ways, this learning journey, organized like a benchmark visit, enabled people to explore alternative ways of organizing, creating divergent thinking amongst the group. From that, the group developed objectives and goals for their redesign. These objectives become the design criteria for creating a converging solution.

**Figure 3 is an organigraph developed as a part of a large group organization design session. This is one of several alternatives created. The journey described in this organigraph is how the organization would operate in the future. Each representative developed a word-picture, first diverging and considering, and then capturing the best and most interesting ideas of the group. Employees from each group then told the “story” of their new organization in vivid and graphic detail. Each story brought both converging thinking and energy to the new design.**

**Build Critical Mass for the Design:** Throughout any organization design process, microcosms of the organization engage in activities in a way that creates a hologram working together as a part of the whole. The organization must reach out to people to continually expand the circle of involvement. With Bank of America, a large group meeting of all 800-plus impacted did not happen. However, nearly everyone was engaged in the process. Each face-to-face in a large group was followed up with smaller group sessions across the system. Everyone got to comment on all of the outputs and help shape the next inputs. These constantly changing sets of microcosms carry with them the seeds of change and bring the whole system together. Bank of America was able to involve everyone by the time the change journey was done. At each opportunity, they included new people. To maintain continuity, they were always careful to ensure that each max-mix included some individuals who had participated in previous activities as well. Underlying the principle of the critical mass is the notion of connectivity.

It has been shown that you can shrink organizations by looking at the numbers of connections people have to each other. Like the movie Six Degrees of Separation, research has shown that each of us in organizations is connected to everyone else in the organization through a series of interpersonal relations (Business Week, June 1999). Even in the largest organizations, people who do not know each other are connected by fewer than three to five people. (Excerpted from Whole-Scale Change: Unleashing the Magic in Organizations, 2000.)

**Design Is a Series of Loops, Not a Line:** When we talk about change processes, we never think about a line that directly leads to planned result. This works with machines but not with living systems like people or organizations (von Foerster, 1984). Whenever social systems are involved, one needs to take into account that these organisms are self-willing systems following their own patterns of how to create sense and engagement and how to construct their realities within (constructivist principle). That’s why there is a need for constant and ongoing dialogue to discuss and interpret the relevant information created in the system: emotions, facts, results, behaviors and patterns shown in the organization. Therefore, it is a loop of communication flows instead of trivial input-output correlations discussed in different settings of all sorts of microcosms, management teams or large groups. In high-engagement design, there is continuous iteration. The process is to discover, dream, decide and do, and have participants discuss, reflect, discuss again and then act!
The path to the solutions is never straightforward.

Conclusion

So what is the point? The data is clear; old ways of managing change and engaging people are not working. Organization design efforts are no different, rates of failure in organization design projects remain high. Employees are more disenfranchised than ever. Everywhere, organizations and their environments are becoming more complex.

A different path is needed—one that embraces those who will be touched by the redesign and, at the same time, acknowledges the complexity of the choices. The parts are too interdependent today to work on only one part at a time. High engagement in the design process is the best way forward. While it might seem on the surface high risk-low reward, it is in fact neither. Planned and organized large-scale dialogues can take place quickly, efficiently and with high-quality solutions that a critical mass of stakeholders can support.

What is different from the Large Group Methods mentioned at the beginning of this article is that each of these presumed, or encouraged, “getting everyone in the room.” High-involvement design does not. It seeks to engage the whole in rethinking how to work on only one part at a time. High engagement in the design process is the best way forward. While it might seem on the surface high risk-low reward, it is in fact neither. Planned and organized large-scale dialogues can take place quickly, efficiently and with high-quality solutions that a critical mass of stakeholders can support.

While most of the examples cited here are face-to-face, more and more design work will be done virtually via the Internet. People can be engaged across continents and time zones, in real dialogue, on how best to leverage the whole, and assure interdependence where it is required, by simply replicating the pioneers of large groups and taking the design discussions to a higher level. When managed and moderated with guiding principles in mind, high-involvement approaches to design address the underlying human system, change management issues, while simultaneously addressing the specific structural and process issues driving the redesign.

References


Paul D. Tolchinsky, Ph.D., is internationally known as a pioneer in the development of Whole-Scale (Whole System) Approaches to change. He is currently focused on leadership challenges in the 21st century. Dr. Tolchinsky has pioneered Real Time Work Design, an approach to work design that involves the whole system and the Whole-Scale™ Change. He is the author of numerous articles and co-author of two books: Unleashing the Magic in Organizations: The Whole-Scale Approach and Unleashing the Magic: A Toolkit (2000).

Lothar Wenzl, MAG, worked as a retail manager and HR director for multinationals for the first 10 years of his career. He now owns two consulting companies, one in Austria and the other in the US, that specialize in systemic consulting company. Lothar specializes in organization design and change management. His mission is to help to create organizations in which people can do meaningful and effective work. He is the author of numerous articles and a frequent speaker on topics such as organization design, appreciative thinking and positive leadership.
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From Change Projects to Change Agility

By Nick Horney, Mary Eckenrod, Gary McKinney and Robert Prescott
How well organizations are prepared to survive in this turbulent business climate is becoming a fundamental issue and challenge for CHROs. Human Resource Departments are characterized by agility if they anticipate opportunities and threats, are shrewd in rapidly adapting HR processes, are able to accelerate the HR contribution to an organization’s strategy achievement and develop capable, creative and flexible processes that enable rapid learning and unlearning.

What is the role of the CHRO in equipping organizations to meet the challenge of the accelerating pace, volume, diversity, and scope of change? Now, more than ever, CEOs and boards will demand that their CHROs become strategic partners in equipping their organizations to be change-ready (agile) to adapt and thrive to the challenge of the turbulent 21st century.

The practice of change management has been radically impacted by the continuing turbulent business environment characterized by rapidly fragmenting, information-intensive, demographically evolving, electronically wired and individually customized global marketplace. It is our proposition that the business environment of the world today has overwhelmed the current change management models and forced organizations to find alternatives to the change management models of the past in order to create an agile capability to survive and thrive in a VUCA (Volatile, Uncertain, Complex and Ambiguous) environment.

During the decade of the ’90s, many of the change initiatives were directly linked to large-scale, multi-million-dollar projects focused on the implementation of enterprise-wide systems, such as PeopleSoft, Oracle and SAP. The change initiatives were often “add-ons” to the project versus fully integrated into the overall implementation project design, often resulting in a less-than-complete change needed for successful implementation.

Origins of Agility

Much of the foundational work done on the topic of agility was conducted through The Agility Forum. A Forum report, 21st Century Manufacturing Enterprise Strategy: An Industry-Led View (Goldman & Preiss, 1991), concluded that a totally new system of competition—agility—was emerging as a result of the rapid maturation of information and communication technologies.

The AGILE Model® was developed in 2002 from multi-disciplinary (e.g., psychology, leadership/management, operations, manufacturing, DOD, etc.) surveys and applied research on organizational change demands in our increasingly turbulent world. It represents one of the new breed of change frameworks that focuses on creating individuals, teams and organizations that are “change ready.” We define agility as “the ability of an individual, team or organization to dynamically sense and respond to changes in the environment with actions that are focused, fast and flexible.”

The Agile Model® is focused on the alignment between people, process and technology operationalized through the five critical drivers:

Anticipate Change: Interpret the potential impact of business turbulence and trends along with the implications to the enterprise.

Generate Confidence: Create a culture of confidence and engagement of all associates into effective and collaborative teams.

Initiate Action: Provide the fuel and the systems to make things happen proactively and responsively at all levels of the organization.

Liberate Thinking: Create the climate and conditions for fresh solutions by empowering, encouraging and teaching others to be innovative.

Evaluate Results: Keeping the focus and managing the knowledge to learn and improve from actions.

Return On Agility (ROA)

IBM Consulting interviewed more than 1,000 global CEOs and found that financial outperformers manage change well and even get ahead of and influence change better than the financial underperformers (IBM Consulting, Enterprise of the Future, 2008). Furthermore, research conducted by the Massachusetts Institute of Technology (MIT) demonstrated that agile firms grow revenue 37% faster and generate 30% higher profits than non-agile companies (MIT, 2006). Using Boston Consulting Group’s (BCG) Adaptive Advantage Index (AAI), researchers in 2012 assessed 2,127 U.S. public companies (Reeves, Love and Mathur, 2012) and found a 0.91 correlation between the AAI and market cap growth. Companies scoring 80%-90% on the AAI showed an average 20% growth in market cap over the five-year period.

The AGILE Model: A Unifying Framework for Agility

The Agile Model® is a core differentiator in today’s rapidly changing business environment.
Managing change is no longer good enough for global organizations in rapidly changing markets. Reacting to competitors’ new products and services will not offer a sustainable advantage. An agile change model provides effective tools and processes that enable leaders, HR partners, and organizations to anticipate and exploit change with speed and flexibility.

Conclusions and Recommendations

The AGILE Model® represents a framework for further research and application of change methodology in a VUCA world.

How can Human Resource Professionals use agility to help transform their organizations and HR processes? Here are some recommendations and illustrations of where to start implementing agility in 2014 and beyond through the people, processes and technology of HR.

<table>
<thead>
<tr>
<th>THE AGILE MODEL®</th>
<th>LEADERSHIP AGILITY PROFILE™</th>
<th>DEFINITIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anticipate Change</td>
<td>VISIONING</td>
<td>Engineers a vision into action; Creates a clear mental picture of what could be, fueled by the conviction that it should be.</td>
</tr>
<tr>
<td></td>
<td>SENSING</td>
<td>Recognizes the relatedness of and the patterns underlying information in various forms and from various sources; Draws inferences or conclusions about the meaning of diverse information for the issue at hand.</td>
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<tr>
<td></td>
<td>MONITORING</td>
<td>Identifies, collects, organizes, and documents data and information in ways that make the information most useful for subsequent assessment, analysis, and investigation.</td>
</tr>
<tr>
<td>Generate Confidence</td>
<td>CONNECTING</td>
<td>Influences others within the organization to be excited, enthused, and committed to furthering the organization’s objectives.</td>
</tr>
<tr>
<td></td>
<td>ALIGNING</td>
<td>Adapts approach, goals and methods to achieve successful solutions and results in dynamic situations.</td>
</tr>
<tr>
<td></td>
<td>ENGAGING</td>
<td>Builds heightened emotional connection to the organization by influencing stakeholders to exert greater discretionary effort to the success of the organization; Relationships span all stakeholders (e.g., customers, co-workers, suppliers, etc.).</td>
</tr>
<tr>
<td>Fast Initiate Action</td>
<td>BIAS FOR ACTION</td>
<td>Exhibits initiative, energy and foresight in evaluating and responding to challenging situations, problems and opportunities.</td>
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<tr>
<td></td>
<td>DECISION MAKING</td>
<td>Commits to a timely course of action which considers alternatives, risks and consequences in light of organizational goals, values, resources and constraints.</td>
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<td></td>
<td>COLLABORATION</td>
<td>Moves quickly to find common ground for solutions among diverse interests; Involves people inside and outside the organization.</td>
</tr>
<tr>
<td>Flexible Evaluate Results</td>
<td>BIAS FOR INNOVATION</td>
<td>Generates fresh, original or unconventional perspectives and original approaches. Reexamines established ways of doing things.</td>
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<tr>
<td></td>
<td>CUSTOMER FOCUS</td>
<td>Develops solutions in a manner that demonstrates an understanding of the customers’ business needs and desire for timely, cost-effective and value-added services.</td>
</tr>
<tr>
<td></td>
<td>IDEA DIVERSITY</td>
<td>Seeks a variety of perspectives in an open-minded manner from traditional and nontraditional sources; Seeks alternative, new or nontraditional approaches.</td>
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<tr>
<td></td>
<td>CREATE EXPECTATIONS</td>
<td>Focuses on outcomes; applies quality principles, practices and tools to provide products and services valued by the customer.</td>
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<tr>
<td></td>
<td>REAL-TIME FEEDBACK</td>
<td>Identifies what needs to be done and proactively takes appropriate action.</td>
</tr>
<tr>
<td></td>
<td>FACT BASED MEASUREMENT</td>
<td>Uses data and information in a clear, rational and thorough process to assess and understand issues, evaluate options, form accurate conclusions, and make decisions.</td>
</tr>
</tbody>
</table>
**HUMAN RESOURCES AGILITY PROCESS AUDIT™ -- PART A**

<table>
<thead>
<tr>
<th>Agility Drivers</th>
<th>Key Agile Processes</th>
<th>Talent Management</th>
<th>Recruiting Process</th>
<th>Performance Management</th>
<th>Compensation Process</th>
</tr>
</thead>
</table>
| **Anticipate Change** | • Scan horizon for trends/forces of change  
• Actively monitor competitors  
• Maintain trend monitoring system – including early warning system  
• Regularly recalibrate focus based on trends  
• Build flexibility for rapid change  
• Introduce market defining paradigm shifts | | | | |
| **Generate Confidence** | • Communicate clear vision & mission  
• Build teams & cross-functional collaboration  
• Create culture of employee engagement  
• Continually check priorities and resources for alignment  
• Actively communicate via multiple methods  
• Give and seek feedback about change  
• Ensure integrity & honesty | | | | |
| **Initiate Action** | • Align priorities, resources & accountabilities  
• Make fast decisions based on emerging trends  
• Seek solutions from all levels – even front line  
• Shorten cycle times in all processes  
• Make speed of learning a competitive advantage  
• Demonstrate resilient capability in all areas  
• Apply plug and play action teams | | | | |
| **Liberate Thinking** | • Create empowering environment that fosters fresh, innovative thinking at all times  
• Continuously search new ways to communicate and collaborate with customers  
• Make creative and effective use of ideas expressed by others – encourage involvement throughout  
• Continually seek use of new technology, processes and alliances | | | | |
| **Evaluate Results** | • Scorecards continually reviewed for data concerning key processes  
• Systems provide rapid feedback on changing conditions  
• Coaching provided for on-going improvement  
• After action reviews quickly inform key decisions  
• Key metrics are aligned with rewards | | | | |
| **Totals** | | | | | |

**Generate Confidence—CHROs Seat at the Executive and Boardroom Table:** Boards are expecting more of CHROs. Talent Management is becoming a standard agenda item during board meetings. Many organizations now position their CHROs on board committees and meet with the board to discuss talent risk management issues so that the organization has the talent to meet performance goals and challenges. The value of Talent Management Scenario Planning becomes extremely valuable to organizations and CHROs to provide informed options for talent under different business scenarios.

**Evaluate Results—Informed Business Decision Making through HR Analytics:** New insights are gleaned from HR big data, leading to better strategic decisions and human capital investments. As an illustration, leadership 360 assessment data can be effectively aggregated to help identify key leadership needs by geography, level, business unit, function, tenure, etc., so that talent development investments can be made in a more rigorous fashion.

**Evaluate Results—Human Resource Agility Audit:** An internal review (audit) of human resources practices (e.g., talent assessment, talent development, performance management) can be performed using the key elements of The AGILE Model® so that the resulting gap analysis is used to form the basis of the transformation of HR processes to those reflecting key characteristics of agility (e.g., anticipates change, generates confidence, initiates action).

**Generate Confidence—Human Resource Mass Customization:** CHROs are transforming their HR organizations to become providers of differentiated services to various business units. Integrated HR systems, effective service delivery and timely access to workforce data are no longer providing competitive advantage for agile organizations.
HR must support the business, and more importantly, enable flexibility in business strategy. Talent Management strategy and processes, for example, must be nimble enough to work across geographic boundaries so that they can support different business models that allow for a global talent framework while tailored to the demands of local markets and business units. Cloud-based HR technology is equipping HR organizations for mass customization demands in 2014 and beyond.

Anticipate Change—Leverage Current Research and Resources about HR Trends, Agility and Adaptability:

- Gary Hamel’s Management Innovation Exchange (MIX) Initiative: Hackathon Summary (2013)—Hacking HR to Build an Adaptability Advantage
- Deloitte: Global Human Capital Trends 2013
- Price Waterhouse Coopers/Saratoga Institute 2013/2014: State of the Workforce
- Project Management Institute 2012: PMI Pulse of the Profession Organizational Agility in Depth Study
- ManpowerGroup 2014: Simplify to Win in the Human Age: Organizational Agility a Must in Certain Uncertainty

The benefits of agility give companies the freedom to make smart and fast decisions that are in the best long-term interest of the company. But the secret formula lies in the alignment between people, process and technology that agile companies use to conduct business with an unrelenting obsession around anticipating change, remaining focused on their vision and leadership practices that allow them to continually be nimble in the ever-changing business environment.

References


Hackathon Summary (2013). Hacking HR to Build an Adaptability Advantage. Gary Hamel’s Management Innovation Exchange (MIX) Initiative


Nick Horney, PhD., founded Agility Consulting and Training in 2001 and has been recognized for innovations in the fields of leadership and change management. Dr. Horney has served on the executive team of the Center for Creative Leadership (CCL) as vice president of Client and Constituency Relations. His change management consulting experience spans more than 30 years and includes the start-up and management of the Coopers & Lybrand Change Management Practice. He will publish a book in 2014 entitled The AGILE Imperative and coauthored Project Change Management, published in 2000 by McGraw-Hill. He has authored and interviewed for many podcasts, magazines and journals.

Mary Eckenrod is vice president of Global Talent Management at Johnson Controls. Previously, Mary served as vice president of Global Talent Solutions for BlackBerry, the mobile solutions provider, where she led the BlackBerry Centers of Expertise. She has led global talent management for Cisco Systems, Rockwell International, Kraft Foods, and Lenovo and served in senior HR generalist roles. Mary also served in leadership roles for HRPS in numerous officer and committee roles, and as Board Chair. Additionally she has served in Advisory Board roles at Santa Clara University, University of Wisconsin, and the Center for Effective Organizations (USC).

Gary McKinney is the senior vice president, chief human resources officer at Valerus. Prior to his employment with Valerus in 2010, he served as vice president of human resources for the natural resources division of AMEC, a $4.5 billion EPCM company based in London. Gary also worked as head of HR for Manugistics and has served on numerous HRPS committees.

Robert Prescott, Ph.D., has spent 20 years in industry and 15 years in teaching and consulting roles. He is currently graduate faculty of management at the Crummer Graduate School of Business at Rollins College. In his extensive business background, Bob previously directed the Human Resource function for BellSouth Communication, Inc. (BCI). Bob holds a B.S. in Marketing from the University of Alabama and a Ph.D. in Workforce Education and Development from The Pennsylvania State University. He is a former member of the HRPS Board of Director, the Cornell University ILR Board of Advisors and current member of The Board of Advisors for The College of Continuing Studies at The University of Alabama.
Change Management Dashboard: An Adaptive Approach to Lead a Change Program

By Alessio Vaccarezza and Gianluca Rizzi
In present times, organizations need to change continuously in order to adapt or react to the social and economic environment that is changing more rapidly than ever before. Most current change management initiatives are based on a traditional and programmatic approach that does not have the flexibility necessary to adapt ongoing change programs to unexpected variations in their context that can affect the program and how it was originally designed.

A n effective and successful change management program should be able to introduce into the organization an understanding of the change and the program that enables the organization to effect change on its own. But this is not enough. Not only is the ability to adapt required but also the ability to “anticipate.” For this reason, it is crucial for every highly complex change management program to be equipped with a strategic tool capable of directing the change: a dashboard that not only monitors the impact of the initiatives undertaken but is also able to provide information that is: forward-looking (i.e., related to the future), systemic (i.e., related to different variables within the organization), and two-dimensional (i.e., related both to the organization’s technical and human resources).

Dashboard/1: Monitoring and Leading Change

A change dashboard effectively fills the need to monitor the impacts of change and take into consideration given targets.

Furthermore, a dashboard can be a powerful support tool in directing change. To be effective, the dashboard must provide:

- Constant monitoring of the change process that allows for prompt intervention in order to increase chances of achieving the final target
- Clear information about specific actions that have contributed (positively or negatively) to the achievement of goals
- The ability to forecast future results based on the effectiveness of current initiatives in order to anticipate decisions and actions capable of positively influencing change

All this can be put in place by adding to the dashboard in question both Lagging Indicators (to measure results) and Leading Indicators (to measure the process).

The concept is that Lagging Indicators without Leading Indicators can tell you nothing about how the desired outcomes will be achieved, nor can you have any early warnings about how on track you are to achieve your strategic goals. Similarly, Leading Indicators without Lagging Indicators may enable you to focus on short-term performance, but you will not be able to verify whether or not the broader desired outcomes have been achieved within the organization.

Leading Indicators are meant to provide the ability to take pre-emptive actions in order to improve your chances of achieving the strategic goals that are being measured by Lagging Indicators.

Dashboard/2: Criteria for Application

When making the decision whether or not to utilize the dashboard as a means to monitor and direct any given initiative of change, some criteria must be taken into account:

Time frame. In order to be effective when used to monitor, measure and direct a change initiative, a change dashboard should be implemented in organizational change programs that have a duration of no less than about six months, the reason being that this amount of time is the minimum required to effectively measure through Lagging and Leading Indicators the work and its results, and then to highlight the advantages of having used the dashboard.

Typology/Dimension. A change dashboard uncovers its potential when applied to large change programs in which the entire organization’s culture needs to be changed and thus all of its functions and human resources are involved in the process. For relatively small change programs that are related to only a few people within the organization, a structured dashboard is not necessary; alternatively, only three or four key indicators are required.

Perimeter. Usually, organizational change programs consist of both a technical and a behavioral aspect; the dashboard makes sense if focused on people’s behaviors in that they represent the most unpredictable but crucial variable for the success of the program. They also represent the most highly recommended area of intervention, if necessary during the process in order to re-orient the change in the event something that has been planned is not working.

For example, resistance to change is one of the main reasons why change programs can fail. The Leading Indicators of change are particularly sensitive to the people dimension of change and can measure the level of responsibility and sense of membership in the people involved. This kind of information becomes fundamental in designing

A change dashboard uncovers its potential when applied to large change programs in which the entire organization’s culture needs to be changed and thus all of its functions and human resources are involved in the process.
initiatives needed to face and resolve resistance to change, also if the resistance arises once the change process has already been started.

It is also important to:

• Define first the perspective of change monitoring before deciding what to monitor
• Identify a functional balance between having brief overview and detailed insight of the change status, which is fundamental to effective intervention
• Make sure that the dashboard is bound to project values

These issues must be examined in depth. When an organization implements a large change program, it is fundamental to design a model of change that the organization can use as a point of reference. The model is based on three levels that include: the vision of change that is the explanation of the goals the organization wishes to achieve, the principles that represent the vision’s breakdown based on more detailed values to which the organization should adhere, and, finally, the behaviors that represent the operative way in which to apply the principles to the organization’s daily work routine. As mentioned above, the dashboard must be closely bound to the values of the change initiative and, in particular, to those behaviors that represent the foundation of the three-level model used to design the change program. This model represents the “unchangeable” component of the entire change program infrastructure. What is meant to be flexible instead is the implementation of the change program itself, and this is facilitated through the use of the change dashboard that is consistent with the logic of adaptive change.

### Dashboard/3: Implementation

Let’s now go through a concrete example of a change dashboard application in order to understand how this tool serves to make the change program’s implementation flexible and capable of adapting to variations in its context.

The example refers to one of several large change initiatives undertaken by Methodos (an Italian management consulting company founded in 1978), where a change management dashboard was designed and applied. The change program we will talk about was carried out over a period of more than two
years (from November 2009 to March 2012) for an Italian multinational company operating in the automotive industry, Pirelli. The whole change dashboard was set as a combination of three typologies of indicators measuring three different dimensions of change (People, Process, and Product).

Davide Meda, manufacturing director for Europe, said: “At Pirelli, we decided to use those indicators to measure the initial status quo and then goals were set (to be measured periodically through Lagging Indicators). All the activities included in the change program and aimed at achieving those goals were then put into action and were measured through Leading Indicators.”

The dashboard was technically set up by the project working group who defined the approach to change measurement and the rules to design the dashboard. A member of

| TABLE 3. QUALITY, RESPONSIBILITY, BELONGING, ETC., REPRESENT THE MOST DETAILED INDICATORS, FOCUSING ON SPECIFIC ASPECTS AND ACTIVITIES OF THE PIRELLI SHOP FLOOR. PART 1
<table>
<thead>
<tr>
<th>QUALITY</th>
<th>RESPONSIBILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTEGRATION</td>
<td>INNOVATION</td>
</tr>
<tr>
<td>SAFETY</td>
<td>COMPETITIVENESS – EFFICIENCY</td>
</tr>
</tbody>
</table>

![Quality Indicator Graph]

![Responsibility Indicator Graph]

![Integration Indicator Graph]

![Innovation Indicator Graph]

![Safety Indicator Graph]

![Competitiveness – Efficiency Indicator Graph]
the working group was designated to manage the data entry in order to get the dashboard periodically updated. Every month the updated dashboard was shown to the Steering Committee, including Pirelli Headquarters Top Management, and then to the plant working group that was in charge of making decisions on the basis of change evolution evidence emerging from the dashboard.

Here you find attached some examples of bar graphs where indicators trends are shown. The dashboard was specifically designed to give an overview on the change process (see Table 1) and specific vision under different strategic perspectives (see Tables 2 and 3) at the same time.

Before explaining how the dashboard practically worked and how it was used to lead change, it is important to point out that the same approach was applied to safety and quality. In both cases, great improvements were observed.

Let’s now focus on quality. It essentially depends on two types of factors: technical (i.e., those related to the machinery) and behavioral (i.e., those related to the human resources). Let’s focus on the behavioral factor. “Our experience in the plant clearly showed that quality depended not only on machinery but also on people’s behavior, which is extremely important and can make the difference. In particular I refer to their knowledge, skills, determination, attention, and passion for their job” said Roberto Forresu, head of Industrial Relations at Pirelli.

Let’s refer to a specific example: one of the quality Lagging Indicators was based on the quantity of waste produced in the industrial manufacturing process. This meant that if waste actually was reduced, we were on the right path to making the change happen because waste reduction was one of the change program goals.

To fully achieve this goal using leverage from the human resources, some training and engagement activities (the so-called enablers of the change)—such as quality dialogues (i.e., moments of confrontation, not intended as an audit, about quality held by people not belonging to quality department), behavioral observation, training sessions and quality champions—had to be carried out. The content of these activities was about the risk for quality coming from inattention, importance of details, and responsibility connected to every single action. If these actions were actually and correctly implemented, they resulted in quality increase.

Measurement of enablers of the change through Leading Indicators (for example number of quality dialogues held per month with respect to a target prearranged) is crucial because it allowed the organization to predict if the waste reduction goal was being achieved, and if not, it made it possible to intervene in time to effectively re-orient the activities.

A programmatic approach would have meant setting a target and not carrying out any kind of monitoring and measuring activity during the course of meeting the goals. But since the context constantly changes, a change program needs to have the ability to make adaptations accordingly. And the adjustment is not something that comes naturally. The change dashboard provides a structured and flexible tool capable of uncovering what is not working in a given change process and thus can provide suggestions on how to re-orient the process in order to achieve the end goals. This can be viewed as an adaptive approach applied to a change initiative.

All the other Leading and Lagging Indicators of the automotive case dashboard worked as described above, but they were focused on different areas and aspects of the same change program. By putting them together, it was possible to constantly monitor the change and, if necessary, give it a different direction. All Lagging Indicators were periodically verified and this is another important premise when using a change dashboard.

This strategic Leading and Lagging Indicators-based dashboard has been implemented in several other change management programs and proved to be crucial for the success of these programs.


**Conclusion**

As stated in the introduction, organizations need to change continuously in order to adapt or react to the social and economic environment that is changing more rapidly than ever before. Most current change management initiatives are based on a traditional and methodical approach that does not have the flexibility necessary to adapt ongoing change programs to unexpected variations in their context that can affect the program and how it was originally designed.

An effective and successful change management program requires the organization involved to have a high level of both flexibility and ability to react. These aspects, unfortunately, may not be naturally embedded in the organization itself but can be introduced through a change dashboard capable not only of monitoring and measuring the change program’s goals but also of directing the change process itself and re-orienting the steps when any variation arises in its context. The change dashboard is focused on the human resources dimension of a change program, because people apparently are crucial to the success of a program and, therefore, the most highly recommended variable to measure, manage and direct.

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Business Model Innovation and Its Impacts on Roles and Expectations: Videon Case Study

By Maria T. Spencer and Phillip J. Ayoub

The importance of innovation is widely accepted, but often the focus is on sustaining product innovation: better, faster, cheaper versions of what the company is already doing. The rapid rate of change in today’s markets demands that companies be able to offer new and different value to customers, and business model innovation may enable growth through new market position, new user experiences, new revenue models, etc. The business model is a big part of what defines roles within the organization, and successful business model innovation requires attention be paid to the effect changes to it have on individual roles, and what human resource preparations and interventions will be required in order to deliver on the change.

Innovation: Sustaining versus Transforming

Today’s organizations cannot escape the nearly constant message that they must innovate to survive, and most dutifully respond with some type of innovation program. More often than not, though, the focus is on incremental product innovation: a better, faster, cheaper version of the current core business offering. It is the natural tendency of organizations—and especially the people that comprise the organization—to do more of what has led to success in the past, doubling down on current competitive advantages to respond to new challenges.

However, in many of today’s markets the rate of change demands that companies be able to move far beyond better, faster and cheaper; turbulent environments challenge organizations to make changes to their business model element—market position, revenue model, product system, user experience, etc.—in order to remain relevant. Innovations to an organization’s business model, though, require that attention be paid to the human element of the organization because it is these business model elements that define staff roles, responsibilities, metrics and rewards. Business model innovation means fundamental change for the organization and demands change of the people that comprise it.
In many organizations, the innovation conversation takes place in relative isolation within some subset of the organization, and human resources (HR) may or may not be at the table. While product innovations may churn through without interrupting the human element of the organization, more dynamic changes which impact strategy, value proposition and other fundamentals of the business model require individuals to function and work with each other differently. If business model innovation is approached without consideration of the complexity and human factors involved in changing roles and business model elements, the effort is likely to be limited, rather than enabled, by the organization’s HR.

The Business Model Drives Behavior

Inasmuch as the business model drives individuals’ working relationships, accountability and goals, it thereby defines roles, expectations and organizational identities. These roles are further institutionalized in the way organizations make decisions, how strategic responsibilities are distributed, and how individuals and departments are rewarded. Change in any of these areas may alter the authority of leadership, change the workflow and affect the depth versus breadth of expertise required for positions. This fundamental change requires buy-in from the affected individuals in order for the initiative to be supported.

These were the key takeaways from the following case study, which profiles the initiation of business model innovation at Videon Central, a 16-year-old technology firm that observed the significance that role expectations played in the rollout of what the company dubbed a “strategic pivot.”

Meet Videon

Since its inception as a five-person organization in 1997, Videon has grown to employ 85 people and generated 2012 revenues of $14 million from the design and engineering of optical hardware and software integral to more than 30 million devices, from home media players to in-flight entertainment systems. Throughout its history, Videon has enjoyed an average of 17% year-over growth with an engineering services business model designed around developing intellectual property for clients’ optical media products in order to speed their time to market and aid in the scaling of new products and technologies.

The business model was addictively simple: ask what the clients want, then design and deliver. This business-to-business model meant Videon looked to its clients—many of whom are leaders in their industry—to pull them into new products and new markets. “Being the CEO of an engineering services company was easy; it just came naturally,” recalls CEO Todd Erdley of Videon’s early days.

Initiating Change and Reframing Strategy

The engineering services business model allowed Videon to grow and thrive with incremental, product-based innovations, so long as the industry—Videon’s customers—controlled media delivery options. But Erdley clearly recalls the onus for innovating Videon’s business model: “Napster opened my eyes, and the writing was really on the wall with BitTorrent.” Control in the optical media market was moving away from hardware providers in favor of consumers who had a growing number of digital options through which to consume their media. Recognizing an opportunity to move up the value chain to align with the shifting power in the market, Erdley asked his senior staff to help him lead the organization in a pivot that would shift the company away from the safe and well-defined client-driven engineering services model toward a market-driven technology solutions model. In this new model, Videon would spearhead its own market intelligence and product development efforts so as to take ready-made offerings—not just engineering services—to its clients. The pivot would position Videon to offer its

1 A pivot is an organizational transformation to accommodate a desired change in a business model joined with technical innovation (see http://en.wikipedia.org/wiki/Lean_Startup#Pivot).
existing clients a new value proposition: far greater speed to market through cutting-edge, market-driven technologies.

Reframing Strategy and Moving from “What” to “Why”

Erdley notes that Videon’s strategic pivot represents a move away from client-driven technologies that enable media devices toward a market-driven media ecosystem that enables consumers, a move initiated by what he conceptualizes as the reframing of “what” his company did toward “why” the company did it. He credits this inspiration to Simon Sinek’s 2009 publication, Start with Why, where he said, “people don’t buy what you do, people buy why you do it.” Within the context of the pivot, the conceptualization of “what” to “why” represents the move away from the company’s engineering services past toward the market-driven future, and it became the foundation for both the strategy and role changes at Videon.

The new market-focus and product-development processes necessitated different working relationships between production, engineering, and research and development, and the roles of senior leadership had to change in response. The foundation for this change was laid early and tended to often. According to Erdley, “From day one I promoted the concept that Videon’s organizational chart was a circle with the customer in the center. Roles are of equal importance, different responsibility. You are the caretaker of a role, not its owner. When it came time to pivot, the process meant redefining what part of the circle you were the caretaker of.”

Erdley further chipped away at role-based identities and expectations by asking staff to reframe their work in terms of the same “why”-based philosophy that drove the strategic pivot, challenging his staff to look beyond their historical roles and instead focus on why they want to be part of Videon’s future. And even though the foundation for role change had been laid, the process was still extraordinarily difficult. Erdley had to leverage the entirety of the trust and credibility he had earned over the years and champion the pivot with near-constant visioning. Videon’s leadership staff very candidly recognized the critical importance of all three with regard to their buy-in to the change.

Videon’s executives also noted the tension created as the change moved them beyond their previous roles, which required flexibility and the “wearing of multiple hats” into positions that required more specific focus and depth of expertise. Erdley summarized, “As you develop depth, you can’t go as wide. In order for the company to grow, people had to be willing to give up pieces of their role, and that was hard. But in giving up part of your role, you can take on deeper responsibilities in other areas. You have to give to get.” Videon’s leadership noted, as the company continues to grow, balancing role focus and flexibility will be an ongoing struggle.

A New Vision Alone Will Not Transform the Organization

Any organization undertaking systemic innovation must continue to manage the core business, while simultaneously developing entirely new models to address turbulent changes in the market. These case observations underscore the human element of this tension, and how a major step in business model innovation is reframing the depth and breadth of roles and expectations. Videon’s experience tells us that such transformations can be managed proactively by de-emphasizing entitlement from a “what”-based role in favor of a “why”-based identity within the organization.

To successfully manage this complexity and change, we know from practice that leaders can employ three effective tactics. First, manage the organizational transformation like a campaign – a large-scale, long-duration, and significant series of strategic planning of inter-related operations. Second, use iterative prototyping of the new business model, and in turn, of the new roles. Organizational participation in the iteration process promotes buy-in, reduces ambiguity and provides a clear vision that helps employees grasp the nature of the change and learn their new roles within it. And third, HR should have a strategic role in any business model innovation efforts to support the fundamental shift in people’s roles and expectations.

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Having some clues on how to shape the organization of the future is a way to generate healthy conversations in a current world ruled by the bottom line. It is also a great tool to open minds to the fact that the traditional organizational design—pyramidal command and control top-down matrix—may be challenged.

When it comes to organizational change, multiple approaches are possible. Organizational design, which is the way forward described here, may be needed when an organization has not adapted sufficiently to its environment, and has somehow grown old, or when its market has become more turbulent. It is one of the most difficult change disciplines given it has to address the organization as a whole, as a system, and to consider all its interlocked aspects, be it technical, social, strategic or process-wise. Because organizational design is one of the most complex types of change, often it ends quite shy and misses its objectives. Yet sometimes executives do think outside of the box, and invent and implement really different frameworks.

This article outlines some examples of disruptive designs, most of them derived from the thinking that organizations can be more efficient, innovative, adaptable and reactive by considering them as whole systems rather than as added building blocks. They don’t contradict the need to bring margins and profits, but are designed for the long term, with overarching motives to learn from lessons of the dark sides of current corporations.

Although some remain alone in their categories, the examples below do influence leaders around the world, and some of their innovative features get incorporated in organizations here and there. Creativeness touches several components:

- corporate culture,
- hierarchy,
- structure,
- information circulation and
- the way teams operate.

This article glances through seven designs: self-management and self-organization, entrepreneurship, virtual ephemeral structures, the neuroscienced organization, the acculturated organization, the transparent organization and the agora organization.

1. Self-management and self-organization

Some experiments have shown that enterprises do not need a well-oiled complex hierarchy to exist, but rather a sound motivation and collective communication, decision making and operational processes. Fifty years ago when the first research on systemics started and when socio-technical systems theories were drawn, we thought of a new era in organizational development. The idea was that each team and each worker in the team could engage more in broadening the task range and in self-managing. It would allow a widened understanding of objectives and processes, continuous operations as people would be able to replace one another, and continuous improvement of the business, given more and better ideas could be generated from the increased emulation and cohesion. Self-management may lead to self-organization, which implies less of management as structuring tool, and hands over both the organization’s orchestration and the strategic thinking to the community.

Self-management was first tested in the 1960s with success, in mining and industrial processes: Procter & Gamble, in the United States, was a pioneer.

Current noteworthy implementations of this model are Whole Foods, W.L. Gore and Morning Star, where employees choose their work, negotiate objectives with their peers, get reviewed by them and review others. Self-management encompasses all processes, including compensation and hiring. Another example is the Argentina’s fábricas recuperadas movement, when employees massively and quite successfully bought out their employing companies in response to the 2001 crisis, and...
Intrapreneurship consists of letting a subset of the organization function autonomously from a budgetary, process and operational viewpoint. It is useful when this subset develops a divergent activity or a niche which cannot afford the organization’s process and reporting heanness. Risk management is different too: less safeguards and more rapid decision making. Once they have become recognized players in the market, these teams rejoin the organization or become separate branches. Even though it is not widespread, such design is quite common.

Intrapreneurship can also be extended to the whole organization. A few years ago, Cisco initiated a modern interpretation of intrapreneurship. To maximize resource potential and create a highly adaptable and agile organization, the company split into internal groups with dedicated budgets, full use of resources and carte blanche to reach their objectives. These groups were created for multimillion dollars projects, clients or markets, and had to negotiate internally access to common resources. After few years, Cisco has reversed its design a bit, as if the shift of culture was too demanding: it created an extraordinary feeling of freedom through autonomy and initiative, yet concurrently a huge amount of time in internal negotiations, and in setting up independent strategy and self-governance. Although the matrix structure seems to have returned, it reenergized the organization.

3. Virtual ephemeral structures— a fourth dimension in organizational design

I worked last year with a pharmaceutical company whose challenge was to support double-digit growth and address niche markets all over the globe. The issue was that the organization had no resources available to set up new divisions or teams, nor did it want to hire, given the difficult economic climate. Nevertheless, addressing auspicious new geographies with existing products, and piloting new promising technologies, was imperative for the medium and long term. The company had acquired a corporate collaborative platform with its enterprise resource planning (ERP) system and wondered if it could be used to support the challenge. The firm had little collaborative culture, but was open to some change.

The company’s choice of action was to create interim virtual teams to address each of the promising niches. Thanks to the collaborative platform, people with specific skills were found and asked to dedicate some of their time to a particular niche. The collaborative platform was also the place for teamwork. These virtual ephemeral structures, at an affordable cost to the organization, made it possible to jumpstart business. Those niche activities that would transform into a wider activity would then be resourced traditionally.

4. The neuroscienced organization

Neurosciences might be considered as hype, yet they have helped in some enterprise-wide projects that should be reported among noticeable emergent designs in this article.

Among examples of where neurosciences have helped grow adaptability is the French pharmaceutical corporation Boiron (homeopathic medicines). The company adopted a neurocognitive approach as a major tool to manage its social capital beginning in 1990, targeting in particular stress management and balanced interactions management tools, allowing Boiron to correct malfunctions without changing the structure or processes. A true value, as explained by his CEO Thierry Boiron in his book:

In allowing understanding [of] how people will behave in unplanned situations, neurosciences strengthen adaptability, anticipation and innovation abilities of the organization, entailing increased performance. We noticed over several years the growth of organization aptitudes to survive, exist and grow in a changing world, while keeping a high economical performance. A KPI that continued to rise, even though our environment was difficult, is the organization’s productivity. It depends on each and everyone’s ability to see things differently and adapt. This implies to work on open-mindedness and surpassing oneself; during the last 10 years, our efforts to mature personal development tools through neurosciences truly reinforced these.

More recently, Juniper Networks, a multinational with more than 9,000 employees, has embarked on a culture and HR politics transformation inspired by the neurosciences. It was a result of launching the corporation’s vision for the next decade, and a need to get people onboard, to re-establish the “social contract” (i.e., to reconnect people with their organization). “Living the Brand,” an employee engagement campaign, targeted aligning five generations of people, from the youngest in their 20s to the oldest in their 60s. From the metaphor of a network (the target market), the company aligned values and behaviors: how it organizes work, the hierarchy, how people access information, what it means from a leadership viewpoint, which talent are recruited, etc. And conversely, it linked performance of the team into every aspect of the culture.

Programs and projects in violation of the new culture are now identified by employees and dropped. They no longer do performance ratings or rankings, “because everyone hates it and . . . if you trust colleagues, you no longer need tracking performance.” Each employee is asked a fundamental question: “Where will you do your best work?” If it is not in Juniper Networks, because the employee does not adhere to the new culture, then the employee...
receives a kindly transition outside of the organization, with respect.

5. The acculturated organization

Just like Favi, no meetings either for 37Signals. For this highly successful startup that developed Basecamp, the top cloud-based project management platform, it might be time to rethink the notion of corporate culture.

We all know that one main component of a corporate culture is its set of values. Building or changing a corporate culture keeps us at work at night. We might be wrong.

37Signals’ founder Jason Fried, it his essay “Getting Real,”6 has listed the set of rules that make his company highly successful. He states, “You don’t create a culture; culture happens” (i.e., don’t bother creating a culture; rather focus on operating the organization, and culture will follow). Fried prefers running his company around practical principles fostering creativity, adaptability, collaboration, trust, and keeping things simple. Some of these principles may seem quite subversive. Among them are the following: no functional specifications to develop products, no planning and no meetings. At 37Signals, working hard does not ensure more creativity, and, as of 2008, the work week is four days.

6. The transparent organization

HCL Technologies, an IT and engineering services company, is probably the most well-known in this list and one that truly stages a multinational corporation of 55,000 employees. Its motto is “employees first, customers second.” Its founder, Vineet Nayar, has described its system in an eponymous book.7

Here again, the system is based on several outstanding principles: peer review is a component of strategy evaluation; a radical transparency across units has been established; business planning is participatory across the whole organization and done through an online platform welcoming thousands of people. The high degree of transparency increases the quality of insights, not just their volume, because people know that their contributions will be looked at. Executives support and assist their reportees, rather than the conventional other way around.

On top of this, and to let our systems be really intelligent, we need to instill in organizations a culture of change, so that the collective intelligence can help in adapting the organization to the fast-changing world. Among HCL Technologies’ four tenets of its “Employee First” philosophy is the following: “Trust through Transparency: Creating a culture of change—seeding trust by stretching the envelope of transparency.” Accordingly, the company has set a participatory business-planning process to explore possible business improvement. HCL Technologies is among the top 100 Indian corporations and very successful in a market that is highly competitive. And it has demonstrated that self-organization can work in large-scale systems, thanks to the use of collaborative IT technologies.

7. The Agora organization

One can hardly discuss innovative organizational design without mentioning Google. For Google, design and culture are alike. There is little structure, and long-lasting values, instilled by its founders, oil and hold the company together. Among the most interesting components is how Google encourages employees toward innovation by allowing them to group and work up to “20 Percent Time” on side projects of their choice; many Google features and products were born from this program.

What strikes us is the organization’s ability to let individuals take over, at their level, the enterprise destiny, They work inside the organization to make their 20-percent project known; they find colleagues to help, management to support, and partners to leverage it. Several other processes happen with a similar agora spirit: initiating and integrating new recruits, internal mobility, and even getting or giving bonuses are other examples.

It may seem like self-management, but it’s more fluid, perpetually changing, and not “lean” at all; creativity prevails on efficiency. The reason is that Google’s headcount still grows very fast (16% in 2012, and probably 2 digits again in 2013), and the company innovates at about the same rate.

Conclusion

What do you think? Which of these examples would make sense for your organization? And how difficult do you think it is to make the decision to change an organization that much?

Information technology can be a lever, as it sometimes triggers organizational change. But not all of the examples above rely on collaborative technologies. Something quite common to these designs is that the strategic decisions are made at a lower level in the organization and, as a consequence, need the executive team to increase their leadership by influence. That is the price for being adaptable and reactive. Another similarity is that the employees who join such organizations must adopt their different and pervasive culture. Sometimes it is even imposed, and when employees do not feel happy with it, they are simply encouraged to leave. That is the price for engagement and alignment.

This is just an appetizer: There are more disruptive organizational designs out there, if you want to look for them.

Endnotes

1. Systemics: a way to study and model systems from a holistic viewpoint, where all parts are interconnected and influencing, affecting and altering each other. The term was coined in the 1970s.

2. A concept part of the Socio-Technical Systems approach, see Eric Trist, Fred Emery and the Tavistock Institute works in the 1960s.


Always on the Change Journey:
A Conversation with David Nadler

By Anna A. Tavis and Steven Steckler

Anna: Although you are probably best known for starting and managing Delta Consulting and the years as an external consultant to many of the largest companies, for seven years, up through the end of 2013, you worked as a senior executive at a major company. How did that come about?

David: I founded what became the Delta Consulting Group in 1980, and we built it over two decades. In 2000, we agreed to be acquired by Mercer, which is a major operating company of the Marsh & McLennan Companies (MMC). We renamed the company Mercer Delta, expanded its size, scope and international reach. After leading Delta for 25 years, I decided to turn over the leadership to others in 2006 and spend a year just consulting as I thought about what to do next. At the same time, MMC was dealing with huge challenges in the aftermath of Eliot Spitzer’s attacks on the company. A few weeks before I was going to depart, I was approached by the then CEO, who knew my consulting work, and asked me to join MMC’s management team in this role of vice chairman. My first response was “thanks, but no thanks.” Ultimately, we agreed on how the job would be structured, and I began in that role in January 2007. The next year turned out to be tumultuous; that September, 2007, the MMC Board forced the termination of the leader of our largest business (Marsh) and by December had terminated the CEO. I was asked to lead the search for a new head of Marsh and then a new CEO for MMC (because our head of HR was gone, too). We hired Dan Glaser from AIG to run Marsh and then Brian Duperreault as CEO. Brian and I developed a very close working relationship. We felt and acted like partners in leading the company’s turnaround.

For seven years, I worked internally, focused on one organization, living it 24/7, working closely with just one CEO. Fortunately, the turnaround, which was achieved through the work of the Executive Committee and other leaders, was dramatically successful.

Steve: You have been in academia, consulting and, as you just described, on the inside. How would you contrast being internal to one company as opposed to consulting with many companies?

David: My internal role was somewhat unique. I wasn’t the senior HR officer and I wasn’t an internal consultant—I was vice chairman, reporting to the CEO, and I was a member of the Executive Committee. This gave me a fair amount of freedom and authority to do the things that Brian and I decided needed to be done. I could call meetings, and people showed up. We could work on a problem and then I could give assignments at the end of the meeting. It was different and challenging, but a lot of fun. It is great to have had that experience; it gave me more empathy for the clients. The one thing I did miss was the variety. During most of my career, I had three client relationships going on at the same time. Moving from one company in the information technology industry to another in consumer products and then another in financial services, all in one week, was stimulating. I’m looking forward to doing that again.

David retired at the end of 2012, and Dan Glaser became the new CEO. One of my responsibilities was to work with our board on CEO succession, and that led to me working closely with Dan, and helping him to get ready for the new role. Dan asked me to stay on for another year to help him get started, and so I continued in the job till the end of 2013.

So now, I have retired from the MMC job, and have decided what I really wanted to do was to get back to consulting. My brother Mark had worked with me at Delta for 12 years, and

Anna: Although you are probably best known for starting and managing Delta Consulting and the years as an external consultant to many of the largest companies, for seven years, up through the end of 2013, you worked as a senior executive at a major company. How did that come about?

David: I founded what became the Delta Consulting Group in 1980, and we built it over two decades. In 2000, we agreed to be acquired by Mercer, which is a major operating company of the Marsh & McLennan Companies (MMC). We renamed the company Mercer Delta, expanded its size, scope and international reach. After leading Delta for 25 years, I decided to turn over the leadership to others in 2006 and spend a year just consulting as I thought about what to do next. At the same time, MMC was dealing with huge challenges in the aftermath of Eliot Spitzer’s attacks on the company. A few weeks before I was going to depart, I was approached by the then CEO, who knew my consulting work, and asked me to join MMC’s management team in this role of vice chairman. My first response was “thanks, but no thanks.” Ultimately, we agreed on how the job would be structured, and I began in that role in January 2007. The next year turned out to be tumultuous; that September, 2007, the MMC Board forced the termination of the leader of our largest business (Marsh) and by December had terminated the CEO. I was asked to lead the search for a new head of Marsh and then a new CEO for MMC (because our head of HR was gone, too). We hired Dan Glaser from AIG to run Marsh and then Brian Duperreault as CEO. Brian and I developed a very close working relationship. We felt and acted like partners in leading the company’s turnaround.

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Anna: We are talking to you because of the work you have done related to organization change. In fact, this is what you and Delta were known for. You have been referred to as one of the key thought leaders and corporate consultants connected to transformation and change. Over your career, you have directly advised many CEOs and C-level leaders whose companies were facing fundamental challenges, including survival and the need for reinvention. Based on your work and the work of others, have leaders and organizations gotten any better at managing change?

David: Actually, I think tremendous progress has been made. When I started Delta in 1980, the challenge was convincing a potential client to think about how to manage change. I don’t think that’s the case anymore. So the good news is that the concepts of change management have become widely accepted—that the process of change is as important as the content of the change, and that change involves both technical and social systems in the organization. Does everybody recognize the need for change management? Does everybody do it well? No. But by and large, there has been major progress.

Anna: So would you say that we succeeded in change management. Are business executives and HR leaders recognizing that change management is part of the competency set for senior HR professionals? Are we really there, or is this still a journey?

David: Of course it is a journey. But this brings us to the issue of the role of HR. When I meet with HR leaders, I remind them that HR alone cannot create change. There are two things that contribute to making change actually happen. The first is pressure from the outside: Most companies change because external forces—new technology, new competition, etc.—compel them to change or die. The second element is leadership. Early in my career I did research on change that was attempted from the bottom up. It didn’t work. The more I worked directly with senior leaders at the enterprise level, the more I realized that effective leadership at the top is the crucial factor. Having said that, I believe that having strong HR leadership is a critical component of effective enterprise-level change management.

Steve: David, you mentioned that from your experience, change cannot happen without the right leadership. Can change happen with just having the right leadership? Is that sufficient?

David: It can’t just be the leadership; you have to engage people at all levels. Again, MMC is a good example. They had never done a company-wide employee survey. We developed an initial survey and then built a quarterly pulse survey so we could frequently check on how well we were engaging our colleagues. We spent a tremendous amount of time out in the offices around the world having employee town hall meetings and round table discussions. We built a 360 degree feedback survey focused on what we expected of our leaders. We did massive communications around employee issues, such as managing personal health and finances. The point is that we recognized the importance of engaging our colleagues around the world.

Anna: So are you saying that top-down leadership alone cannot achieve change?

David: Yes. The phrase I used, and I may have borrowed this from Rosabeth Moss Kanter years ago, is that change is not something that “the top can tell the middle to do to the bottom.” I’ll give you another example from MMC. We had a visionary chief risk officer who led an initiative to develop a new code of conduct, a critical issue in light of our previous regulatory problems. We engaged several hundred people in creating this new code, and we called it “the greater good.” It focused on each colleague’s obligation, as a member of Marsh & McLennan, no matter what country, what level, what function or what business you are in. The code is organized around issues of trust. How do you build trust with clients, with colleagues, and with the communities in which you work? The goal was to get people to believe “this is it that we ought to be doing.”

We touched every one of our 55,000 people with this initiative. We created a very compelling 50-minute film, The Faces of Marsh & McLennan, and required every colleague to participate in a workshop where they saw the film and discussed its application to their own situation. Subsequent video tutorials on specific issues were distributed through desktops, so the original message was reinforced several times a year. While it was built around the issue of risk and risk management, it fundamentally was about changing the culture. This was all about leaders creating change by personally involving tens of thousands of people at every level of the organization.

Anna: Based on everything you have done, the companies and the leaders, executives and Boards that you have worked with, what is next for you?

David: I’m fortunate that, at this point in my life, I can do what I enjoy doing. A lot of my focus in recent years has been on boards, CEOs, and corporate governance. I had worked on the blue ribbon commissions of the National Association of Corporate Directors (NACD). My brother, who coauthored the book Building Better Boards, also has done extensive work in this area. So we decided to
focus our new practice on boards, CEOs, and to some extent, executive teams. I enjoy consulting tremendously. I thought it would be really nice to get back to spending my time doing the professional work that I love, which is working with clients and helping them solve the problems that they have.

**Steve:** What about the notion of the future? Do you think that in the future we will evolve and that there will be changes in our hardwiring? Will we become more sensitized or desensitized towards change? Will it be any easier for groups joining the workforce in the future to respond to change?

**David:** It’s a great question. I would be very cautious about those kinds of predictions, because each generation likes to think it is unique. Having been trained as a psychologist, I believe in the fact of individual differences and that we have different tolerances for change. There are people who value security and stability; others, like myself, would go crazy in a world where nothing changes. And there are change junkies who never think there’s enough going on. So it’s difficult to generalize and dangerous to predict. However, I believe that most people don’t change unless there is some compelling reason to do so. They need to sense emotionally, intellectually, personally, that the cost of not changing is greater than the cost of changing.

In addition to individual differences, I also think that there are huge cultural differences regarding change. Having worked for a company that is in more than 100 countries, it is important to be careful about applying a U.S. mindset around all these issues of organization, leadership, authority, and change to what are some dramatically different cultural environments.

**Steve:** What is your advice for HR leaders who are involved in or have the responsibility of helping business leaders introduce and sustain large-scale change?

**David:** Let me be clear about the importance of HR. At MMC, one of the first things the new CEO, Brian Duperreault, asked me to do was to find a first-class, outstanding HR executive who would report directly to him and would be on the executive committee. We were fortunate to attract Orlando Ashford, who was the Chief HR Officer during much of this time, and now runs a major Mercer business. A lot of what we accomplished would have been impossible without strong HR leadership.

The critical issue to me is that all of HR activity has to be highly connected to the strategic imperatives. As I mentioned before, we came up with a strategy around the idea of being an elite organization—one that is seen by its clients, colleagues, and shareholders as creating outstanding value for them. And so we used that terminology to talk about the continuing journey to become elite, and the fact that it’s a never-ending goal. It isn’t a change program but it fundamentally defines the strategy of the company. The key thing is that HR stays very much rooted and connected to the business and linked to the strategic agenda of the leadership. HR needs to make sure that everything that it does is aligned with and supportive of that agenda. At the same time, HR needs to be at the table as an advocate for the people issues in the organization.

**Anna:** That is a very powerful statement as we approach the end of our time together. Any closing remarks as you yourself transition to yet another change in your own career?

**David:** I think, at the end of the day, this whole issue of organization change is more complicated than we would like to think. I am always suspicious of easy answers or simple formulas that purport to make change happen easily. The behavior of people in organizations is the result of structures, rewards, culture, leadership, etc. People also self-select into organizations based on whether they feel comfortable in a particular setting. And if we are talking about how do we change that behavior, we ought to be careful and decide if we really need to change it, why we need that change, toward what end—and then realize that it takes a lot of time, all kinds of different levers of change, and that there’s no one silver bullet.

The one thing you can’t do without is effective leadership: Without that, real change is impossible. So my advice to people considering senior HR jobs is to look very, very carefully at who you are going to be working with. You don’t want to be in a situation where the leadership is either insensitive or indifferent to issues involving people and human capital. Avoid situations where you are likely to be the lone voice at the table on people issues; that is a losing battle.

**Steve:** That is great advice. Many of us have experienced that and understand the difference. David, thank you so much.

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**David A. Nadler, Ph.D.,** is a principal of Nadler Advisory Services, a firm that consults with boards of directors, CEOs, and executive teams on issues of leadership, governance, and team effectiveness. At the conclusion of 2013, Dr. Nadler retired after seven years as vice chairman of Marsh & McLennan Companies. He was a key member of the executive team that achieved the dramatic turnaround at MMC.

Dr. Nadler is widely recognized as a thought leader and respected advisor to CEOs and boards. He was the founder and CEO of the Delta Consulting Group, which in 2000 joined Marsh & McLennan Companies, and he was CEO of Mercer Delta Consulting from 2000-2005.

Dr. Nadler is well known for his research and writing on organizational change, corporate governance, organization design, and executive teams. He has written numerous articles and book chapters, and has authored and/or edited 15 books.

Prior to Delta, Dr. Nadler was on the faculty of the Graduate School of Business, Columbia University. He holds a B.A. in International Affairs from The George Washington University, an M.B.A. from the Harvard Business School, and an M.A. and Ph.D. in Psychology from the University of Michigan. In 2005, he was the recipient of the Distinguished Professional Contributions Award from the Society for Industrial and Organizational Psychology, and in that same year, he received the Distinguished Scholar-Practitioner Award from the Academy of Management. From 2009 through 2012, he was listed in the NACD “Directorship 100” as one of the most influential people in the boardroom and in 2013 was inducted into the NACD Directorship Corporate Governance Hall of Fame.
Leading Change: Perspectives from a Global Leader

_In Conversation with Emilio Umeoka_

By Alison Romney Eyring

Eyring: What are the key trends in technology, and what are the implications for leading change?

Umeoka: Four key trends in technology every leader must understand are: migration to the cloud, mobility of work, access to and utilisation of big data, and proliferation of social business tools and practices. These are changing every aspect of how work is done and will continue to drive change over the next decade. These trends are transforming entire industries, if it has not already happened. Leaders have to understand and anticipate the change these trends will drive so they can prepare their organisation and people to adapt. The pace of change will continue to accelerate.

Eyring: What’s different about these changes today compared to a decade ago?

Umeoka: In the past, much of technology-driven change was top down. The consumerisation of IT, which means consumers started dictating what technology they want to adopt, really only started about five years ago. This is different because consumers have become bigger decision makers and change is coming from the bottom up and also top down (C-suite driving technology adoption simply because they want their new technology gap to work on the company’s IT environment and demand it). With consumerisation of IT, people are taking a bigger responsibility for technology.

Eyring: What are some key implications of these trends for global leaders?

Umeoka: Certainly, the most significant is that leaders have to be more flexible and adapt themselves and the systems they use to manage more quickly. There is a huge opportunity for consumers to reduce cost and improve efficiency—so they will continue to drive this change. Leaders at all levels have to embrace change because it’s going to happen, and it’s going to happen in ways we might not like. I think another implication is that the way we communicate has to be more dynamic. We have to show people where to go—not give them answers. We’re competing for people’s attention. We have to find the right way to get mindshare. So the role of a leader is evolving and becoming much more about facilitating change—not driving it.

As these changes proliferate, leaders will have to manage a shift in their people’s psychological contract with the company. The company will need to take actions that allow employees to have a greater voice and to engage with them in new ways. As long as a company is open to technology and allows its people to engage with them, there is going to be a positive impact on the employee. Clearly, the company has to protect confidentiality and sensitive information and prevent intrusion. But if done well, it can drive a lot of happiness and commitment in employees.

Eyring: It seems that all this change also has implications for organisation design.

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marketing. This also represents a mindset shift as technology is viewed as a growth enabler and not just a cost.

Organisations are hiring social media experts, and Sales is driving additional Big Data projects to better target customers. Organisations will evolve with a lot of new roles to address some of these trends (Cloud, Mobile, Big Data and Social).

Eyring: How do you see different generations dealing with changes in technology, and what is the implication for leading change?

Umeoka: I think that leaders who are curious and open will continue to embrace change driven by technology. At the same time, we have workers entering the workforce who grew up using Facebook, Skyping their friends to work on homework and using Google hangouts to congregate. Leaders have find new ways to understand these trends, i.e., paying closer attention and connecting with their children, having constant engagement with newer/younger employees or even getting some reverse mentoring (having younger people teach them how to use these new technologies).

Another thing that many people don’t understand about Brazil is that it’s a very multicultural society, which is different from Latin America in general. Because of this, Brazilians are used to seeing differences and accepting them. This helps when driving change globally.

Eyring: What’s your one piece of advice for leaders who want to create successful and sustainable change for their company?

Umeoka: Always put the customer first. At the end of the day, if there is no value proposition to buy your products or services, you will not exist. You also have to create an environment where people can take risks—even if it starts with minor ones.

Emilio Umeoka is a global leader with work experience in the United States, Asia Pacific, Latin America, Brazil, and Africa in global, regional and country management roles. He managed P&L, sales, marketing, services and support, mobile devices and online business and worked in small (entrepreneur), mid-size (Juniper Networks) and large corporations (HP and Microsoft), with an impeccable sales track record on both direct and indirect (channels) sales. Recognized by his teams, peers and industry as an inspirational leader, Umeoka has built long-lasting growth cultures and strong leadership teams—growth, share taker, talent builder. He has achieved the highest ratings and improvements in Customer and Partners Satisfaction, Employee Satisfaction, Company Image and Corporate Social Responsibility.

Eyring: Emilio, what can leaders around the world learn about change from Brazil?

Umeoka: In the past, Brazil produced lots of good CFOs due to very high inflation. Everyone knew how to deal with this because every night you had to reinvest your money. Managing hardships and other challenges has contributed to Brazilians being extremely creative, resilient and adaptable.

Building strong relationships is important for change leaders the world over, and in Brazil, relationships are very important. I think Brazilians are typically very strong on

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Alison Romney Eyring, Ph.D., is CEO of Organisation Solutions, a global consultancy headquartered in Singapore, supporting clients to implement winning growth strategies, and to build capabilities to sustain this growth. She also is an adjunct associate professor at the National University of Singapore. With 25 years of experience, she is an expert in organisation design and transformation areyring@organisationsolutions.com.
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Margareta Barchan and Jeanne Westervelt Rice give tools for facilitating conversations about culture, espoused values and organizational behaviors. Their four simple rules are: 1) use dialogue and reflection, 2) revisit main values frequently, 3) start with management, and 4) walk the talk.

Susan Goldworthy delves deeply into OCM communication. Inform, Inspire, and Involve is the motto advocating a planned but empathetic approach to target populations. One of the main messages is to align communication and organizational change activities with clear, behavioral targets.

Martin Thomas provides a good summary of the dilemma we face when profits, environmental concerns and sustainability do battle. He outlines a winning formula (Triple Bottom Line) for balancing all three, while Silke Grotegut, Anja Reitz and Wolf Schonberg provide an in-depth view of how the landscape of large organizations is changing. Value-chain orientation, self-responsible teams and empowered operative units are key success factors with speed, flexibility, culture and innovation as their drivers.

New but Experienced Eyes: New Eyes is a compilation of articles by organizational change thought leaders. It provides interesting insight into new change practices, a view of the shifting landscape of OCM, and practical advice for dealing with the complexity and turbulence faced by change agents today.

First came IQ. Then came EQ. Now comes CQ. Change Intelligence! What took us so long? Maybe Charles Darwin got it right it years ago when he said, “It is not the strongest species that survive, nor the most intelligent, but the ones most responsive to change.”

Barbara Trautlein’s new book on change intelligence addresses this challenge by giving us something very useful. The book is a simple and practical explanation of why change intelligence is critically important in today’s fast-paced world of work. This book is a quick and easy read that is very practical and is designed to appeal to anyone who is trying to be a leader. Her examples speak in a clear, pragmatic, and easy-to-follow way that speaks to managers, executives, and change professionals.

Dr. Trautlein’s “CQ Triangle” is your constant companion throughout the book. The discussion is organized around the three key components of CQ: Heart, head, and hands. The model highlights three different types of change leaders: “Engaging, caring, people-oriented leaders” who lead from the heart; “strategic, futuristic, purpose-oriented people” who lead from the head; and “efficient, tactical, process-oriented people” who lead from the hands. The book makes the case that leaders need to understand their own particular combination of these capabilities so that they can use all three in order to lead organizational changes that will stick.

The book defines seven different styles of change leadership and offers an online assessment from the author’s own website so that readers can assess their own style. The book then presents chapters on each of the seven roles, discussing how they play out at the executive level, the project manager level, and the new supervisor level.

The examples in this book come primarily from the author’s consulting practice. She presents a great set of stories from core industries like steel, chemicals, energy, retail and health care. This is not a book about practice. She presents a great set of stories from core industries like steel, chemicals, energy, retail and health care. This is not a book about process-oriented people” who lead from the hands. The book makes the case that leaders need to understand their own particular combination of these capabilities so that they can use all three in order to lead organizational changes that will stick.

The examples in this book come primarily from the author’s consulting practice. She presents a great set of stories from core industries like steel, chemicals, energy, retail and health care. This is not a book about how to energize your Silicon Valley start-up by bringing your dog to work! This is a book about getting you and your people to engage your hearts, heads, and hands in the change process to drive success.

One of my favorite parts of this book is that it gives more positive examples of women “leaning in” in old-line, male-dominated industries than any other book that I can think of. I often found myself looking for a chapter or a subtitle called “Women of Steel.” There’s no explicit discussion of gender differences, but there is a great mix of men and women in all of the seven styles. But, then again, there seems to be a lot of the head-oriented “visionaries” that turn out to be male and a lot of the heart-driven “coaches” and “facilitators” that turn out to be female...

Dr. Trautlein has created a framework for understanding change intelligence that can be used in many different ways. It belongs on your bookshelf! This framework will also be a useful paradigm for research on change, and I hope that we find some of that background research on her website in the near future.
Choosing Change: How Leaders and Organizations Drive Results One Person at a Time

Author: Walter McFarland and Susan Goldsworthy
Publisher: McGraw-Hill, 2013
Reviewer: David Jestaz, CLO of EDF (France)

There are many books about change, and there is Choosing Change, which sits into its own category. Deeply rooted in people and organizational understanding, the book takes you into an intellectual and operational journey into change. The book takes a relevant road: people need to choose change.

The Five-D model is key to the authors’ vision of change. Their explanation of the Five Ds—disruption, desire, discipline, determination, and development—provides readers with practical steps for making change a success for people and corporations. Goldsworthy first used a version of the Five Ds when she gave talks to young swimmers. Working with McFarland, the model has been expanded and built as a framework for organizations, as well. The two authors work complementarily to build the individual and the organizational parts of the book, which are consistent, deep, and based on experience and relate to each other. The neuroscience contribution to change is highly relevant and helps build the argument.

Choosing Change incorporates science and experience to test the predictability of the Five-D model, which includes the following:

- **Disruption:** This relates to an event or experience that triggers a conscious choice to change. It creates an awareness of something that might require attention and creates a case for change.
- **Desire:** What exactly does the person/organization want to achieve; does it believe in the possibility; and how serious is it about making the change happen?*
- **Discipline:** Applying those small, consistent, and frequent steps required to build the momentum that delivers sustainable change. Discipline is essential to manage the many demands of life and to keep pressure on the processes of change.
- **Determination:** Having the resilience to focus and deliver even when faced with setbacks. Determination is a necessary requirement for achieving success at any level, because any major program of change will create resistance and have setbacks.
- **Development:** It covers continuous improvement, feedback, and ongoing learning, both for the individual and for the organization.

The book is operational. The Five-D methodology is something you can use to drive change for yourself or in your organization. The steps are consistent and highlight two critical moments, desire and discipline. Very often, change management fails because it is forced and the attraction of change is dismissed or poorly managed. Neuroscience explains how to handle this step. Choosing Change stresses the importance of discipline. Like decision making, execution should follow. Making the case for change is one thing, getting it done deeply in the organization is another one.

There are many theories for achieving change. This one is a proven solution: A must read!

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NEW EYES continued from page 63

Mike Yates’ article on big data provides a clear interpretation of Big Data. He gives an action plan that can be scaled to fit most organizations. The main premise: team-think is key to success, and provides details on how to apply the 4E (Envision, Enable, Empower & Energise). I found this article, especially, to be timely and exciting. This team-think concept is carried through John O’Loan’s article on unlocking the digital mind. As well as a very robust summary, the history of analogue and digital thinking, he provides an insightful summary of how the digital age is changing the way we think and, by extension, how we all must approach organizational change.

Joanne Flinn and Alexander Buzier talk about the real risks of IT projects and the lasting, negative, impact these projects can have on the organization and the board of directors. This article highlights the board’s responsibility for organizational health and good governance.

The benefits of portfolio management, standardized project and risk management to bring “wicked” projects, and risk, under control is thoughtfully presented.

Jane Lewis and Robert Saco wrap up this interesting compilation of articles with two case studies about the Positive Deviance process. This facilitated process allows an organization or communities to identify “outliers” in their group, who are succeeding when others are struggling. It provides a roadmap that can be used to multiply successes and achievement in the organization, while fostering long-term group and individual behaviour.

Much like a conversation with a trusted mentor, this book reads well for veteran and new change agents alike. Whether you are wrestling with challenges from the human or the technical side of change, New Eyes provides new insight and a renewed understanding of the critical elements for success in this evolving field.
Call for Papers

Theme of the Upcoming Issue
The untrained ear may hear the term “Organizational Health and Wellness” and consider it a homogeneous area, perhaps making a mental association with EAPs and work-time for meditation, among others.

Belying their aural similarity, however, “organizational health” and “organizational wellness” have distinct emphases as disciplines, and grew from different traditions. Organizational health typically emphasizes an organization’s ability to function effectively as an outcome—i.e., to succeed in competitive markets and to recognize human factors and dynamics important concomitants. (In some definitions, people outcomes are on equal footing with financial and operational outcomes.) In contrast, organizational wellness typically emphasizes how well an organization supports employee well-being (i.e., reduced stress levels and a concern for the personal health of its people) and recognizes operational effectiveness and financial return to the organization as an important concomitant. In some descriptions, the wellness benefits are “monetized” as benefits to sell organizations on why they should care.

Each tradition typically attracts professionals from different disciplines and with different training. For example, organizational psychologists, consultants, and specialists gravitate to organizational health, while occupational psychologists, therapists, and professionals from other disciplines gravitate to wellness. These distinctions notwithstanding, the interdependence of organizational capability, success, and the state of its people is undeniable. For our special People & Strategy edition focusing on “Organizational Health and Wellness,” we seek papers addressing organizational health and/or organizational wellness, and its/their relationship to outcomes at the organizational, group, or individual level(s). Editorial preference will be accorded to evidence-based papers, including empirical findings in either category.

Our Audience
The typical reader of People & Strategy is an internal human resource executive or consultant seeking actionable and practical advice based on sound research. Our reader wants to be challenged by new models, approaches, and ideas. Our readers are experienced, knowledgeable and work in and for a variety of organizations across the globe. They turn to People & Strategy for clear, actionable, and thought-provoking articles on current topics.

Types of Submissions
Articles can take a number of forms, including frameworks for understanding and taking action on a topic, presentation of research findings with interpretation, case studies illustrating best practices, or essays advocating new ways of thinking about an issue.

Articles from consultants are especially interesting when they are written collaboratively with practitioners from a client company. We are also interested in book reviews. Please do not submit literature reviews or purely theoretical pieces.

Submissions will be reviewed by members of the journal’s editorial review board. Criteria for evaluation include: significance of the contribution to the field of human resource management; usefulness of knowledge; fact-based stories; timeliness of content; originality; provocative nature of the content; quality of the data supporting the points; logic; international focus; and level of writing. Reviewers’ comments will be sent to authors.

The first step is to submit an one-page proposal and the author’s bio by August 15 (see timetable below). If accepted, we will then guide you on development of your article.

Writing Style and Guidelines
Articles can range from 2,000 to 2,500 words. Perspectives articles range from 700 to 500 words. Book reviews should be 500 words. See example of former issues articles here: http://www.hrps.org/?page=PSArticles.

We are looking for articles that have the following attributes:
- **Strategic importance:** Has a link to business decisions and doesn’t rehash well-known information; should be the type of article an HR reader might pass on to a business executive to educate him or her about a concept, provide the basis for a discussion or influence thinking.
- **Impact:** Has practical use for the HR executive reader, as well as a business reader; for example, does not just present research findings but also discusses applications.
- **Actionable:** Focuses on solutions, not just descriptions of issues.
- **Grounded:** Based on research, theory (with examples), or proven practice to provide a “proof of concept,” not just armchair observation; provides frameworks that can be applied in a variety of situations.
- **Point of view:** Makes a case for thinking about a topic differently.
- **Readable:** Nonacademic prose; active verbs and minimal jargon.

About People & Strategy
People & Strategy is a professional journal published quarterly by HRPS. The journal is sent electronically to more than 2,000 members of HRPS and is available for sale through affiliated organizations and to the public.

Our authors are academics, management consultants, practitioners and business executives who are thought leaders from a range of fields. Our articles are grounded in theory and research but are written in a straightforward manner to provide our readers with the frameworks to make better decisions in executing the strategy of their organizations.

Publication Timetable and Submission Information
All proposals should be sent electronically to Anna Tavis, Executive Editor, HR People & Strategy at: Editor@hrps.org. (No hardcopy submissions will be accepted.)

Please designate in your email that this submission is for the Winter 2015 Issue—Organizational Health and Wellness. Please indicate if your article is based on any prior publication or is also currently submitted to another publication for consideration.

August 15, 2014 Proposals due: Submit a one-page overview of article concept and author’s bio.

September 1, 2014 We will provide feedback and direction on your concept.

October 3, 2014 Articles due: Submit a well-written draft ready to be edited.

November 7, 2015 We will indicate if the article is accepted, and, if so, what revisions are needed; if your article is accepted we will work closely with you to shape and revise it during September. All articles are in edited final form by mid-November.

The editors for this special issue of People & Strategy include:
Anna Tavis—Executive Editor, People & Strategy journal
Steve Hanks—Associate Editor, People & Strategy journal

Guest Editor: Michael Bazigos—Global Head of Product Development, Data Analytics and Research Organizational Health Solutions, McKinsey & Co.; Adjunct Associate Professor of Psychology and Education, Teachers College, Columbia University

Review Process
Contributions will be reviewed by a committee, and each paper will get at least three independent reviews, based on criteria including relevance, clarity, soundness and power of the arguments, generality of results/claims, and novelty. Papers will be accepted based on this criteria and space availability. Accepted papers will be published in an attributable form in the Winter 2015 edition of People & Strategy.

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