

ORGANISATIONAL IMPROVEMENT AND CHANGE



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OUR THINKING AROUND ORGANISATIONAL IMPROVEMENT AND CHANGE

Our approach to implementing organisational improvement and change is based on our own understanding of the organisation as a living human system. A system in which goodwill, mutual trust, productive relationships and a collective desire to learn and improve are key.

A robust enterprise is not a collection of "human resources"; it's a community of human beings. All kinds of people are responsible for its performance. (Mintzberg, 2009)

It is also informed by a knowledge that the environment for most organisations is characterised by volatility, uncertainty, complexity and ambiguity.

Our experience over many years involvement in processes of organisational change is that planned, linear change does not always work so predictably in the emotion and politics of the human space that is the organisation. This view is supported by the research of John Kotter (1995) that identified employee resistance and management behaviour as two central factors in explaining a 70% failure rate of change programmes. More recently McKinsey & Company commissioned research by Blackburn et al (2011) involving some 2,000 executives with recent experience of major change and found that programmes were:

- 6 times more likely to succeed if they were structured around readily understandable themes
- 5 times more likely to succeed if the programmes encouraged employees to take initiative and contribute to change over those programmes that were dominantly top down
- 7 times more likely to succeed where clear unambiguous metrics and milestones were in place over programmes where they were not

Attempts to control and achieve compliance can be met with resistance. A failure to engage sincerely with people on the change journey can breed calculative and sometimes non-productive political behaviour. Leaders trying to sell things are not always trusted.

We have frequently seen productive and creative self-organisation going on in many organisations sometimes 'below the radar' and out of sight of the processes of management. This self-organisation, in our experience, when framed by clear overarching purpose and an enabling culture can explain why some change initiatives seem to work better than others. Stacey (2007) refers to this hidden dimension of organisational life as "the shadow system". He points out that every organisation actually consists of two organisations: the legitimate and



shadow system. Everyone in an organisation is part of both. The legitimate system consists of the formal hierarchy, rules and communications patterns in the organisation. The shadow organisation lies behind the scenes. It consists of hallway conversation, the grapevine, the rumour mill and the informal procedures for getting things done. In Stacey's view much contemporary management theory and practice ignores and/or denies the existence of the shadow system. Stacey further points out that because the shadow system harbours such diversity of thought and approach, it is often the place where much of the creativity resides within an organisation. While the legitimate system is often focused on procedures, routines and the like, the shadow system has few rules and constraints. He sees that the shadow system can be a great source of innovation if leaders could just learn to listen to, rather than battle against it.

We have long questioned whether people actively resist change or more, resist change that is imposed upon them. The simple maxim that 'people support what they help to create' has successfully informed much of our work with organisations across all sectors.

You know the adage 'people resist change'. It is not really true. People are not stupid. People love change when they know it is a good thing. No one gives back a winning lottery ticket. What people resist is not change per se, but loss. When change involves real or potential loss, people hold on to what they have and resist change. (Heifetz, Grashow and Linsky, 2009: 22)

There are many change models and theories. Lewin's (1952) conceptualisation of the organisation as an ice cube that can be unfrozen, transitioned to a set of new behaviours and then re-frozen is enticing in its concrete simplicity and has formed the intellectual basis of many organisational change initiatives. The work of Kanter, Stein and Jick (1992) in describing the ten commandments for executing change and Kotter's (1995) eight stage process for successful organisation transformation arguably model a somewhat more 'emergent' approach to change based upon an assumption that a rapidly changing external environment will not allow the time and space for a rigidly planned and top down imposed change to succeed. In this context change is seen to be a process of learning in which the organisation adapts to internal and external environmental changes. This notion of the learning organisation is well described by Senge (1993) and De Geus (1999).

The ability to learn faster than your competitors may be the only sustainable competitive advantage. (De Geus, 1999)

Our experience has also led us to be sceptical of some of the promises associated with large scale so-called 'transformational' change. The perceived need to change everything all at once in a deliberative and instrumental way in a chosen direction of travel runs the risk of ignoring aspects of an organisation that are already working well and can, in addition, without care, implicitly dishonour the past. Our experience also suggests that whilst aspects of



organisational life will be continuously adapting in a dynamic way, some parts of the organisation will continue to function exactly as before and that this might be appropriate to the purpose the organisation is pursuing.

As in nature, a successful adaptation enables an organization or community to take the best from its traditions, identity, and history into the future. (Heifetz, Grashow and Linsky, 2009: 23)

Notions of transformational change can also disempower people. It can seem so big and all-encompassing that people feel daunted and unable to find a place to connect with it. Given the reported failure of significant numbers of change initiatives our experience suggests that a more focused, incremental and emergent approach to change that seeks to understand and connect with the organisation as a living system has significant merit. In this sense the language might focus on 'improvement' as a more inclusive and meaningful term than 'change'. Indeed many people we talk to in organisations remind us that 'change' may not bring about improvement.

Where the 'burning platform', described by Kotter (1995), is so clear (e.g. disruptive technologies, substitute products, risk of financial insolvency, dramatic loss of customer and/or stakeholder support and confidence) more focused, fast, planned and directive approaches might be required. These approaches we would argue still need the active support of people if they are to work and they also need to focus upon a 'vital few' improvement areas that focus attention and available resources.

That some organisations find themselves in need of sudden dramatic improvement and change might, in some cases, be an indication that they have not built sufficient adaptive capability. A capability that enables ongoing adaptation to the ever changing external environment guided by shared purpose and values. In this context the words of Pascale (1991) who stated "nothing fails like success" have a certain resonance.

Unintended consequences get to the heart of why you never really understand an adaptive problem until you have solved it. Problems morph and 'solutions' often point to deeper problems. In social life, as in nature, we are walking on a trampoline. Every inroad reconfigures the environment we tread on. (Pascale, Sternin and Sternin, 2010: 192)

Heifetz, Grashow and Linsky (2009) helpfully distinguish between adaptive and technical challenges. They see that technical problems whilst sometimes complex and frequently important can be resolved through the application of "authoritative expertise" and through the current structures, procedures, and ways of doing things. Adaptive challenges, on the other hand, can only be addressed through changes in people's priorities, beliefs, habits, and loyalties with Heifetz, Grashow and Linsky suggesting that "making progress requires going



beyond any authoritative expertise to mobilize discovery, shedding certain entrenched ways, tolerating losses and generating the capacity to thrive anew.” The authors warn that problems do not always come clearly labelled as either technical or adaptive or a combination of both. Heifetz, Grashow and Linsky suggest, in this context, that accurate diagnosis is a key step and one which they suggest is regularly missed.

The most common cause of failure in leadership is produced by treating adaptive challenges as if they were technical problems. (Heifetz, Grashow and Linsky, 2009: 19)

Diagnosis, Heifetz, Grashow and Linsky suggest, is difficult in a context where leaders are under time pressure to take action and solve problems. They suggest that we need to get “off the dance floor” and “on to the balcony” to get the distance and perspective needed to see what is really happening. The key to successfully addressing adaptive challenges, according to Heifetz, Grashow and Linsky, is to work on building adaptive capacity.

Our experience is that necessary improvement and change is sometimes unwittingly disabled by organisations trying to do too much at the same time with too little resource and/or capability. This can seem to staff and other stakeholders as a lot of activity that delivers little or no tangible improvement.

Bureaucratic cultures can smother those who want to respond to shifting conditions. (Kotter, 1995)

The helpful tension between planned and emergent approaches to change (‘both and’ not ‘either or’) based upon prevailing need and context is key in informing our own approach. For all that our inclination is towards the emergent we also recognise that a lack of capability in skills frequently associated with planned change (e.g. project management, internal communications and process improvement) can inhibit the realisation of the benefits associated with the best of emergent change approaches.

Our thinking and our experience developed over many years as a result of our work in large corporate entities, large and complex public sector organisations, national charities and universities has led us to clarify our own framework for change. This is not so much a prescription as a guide. It is the start of a conversation (and journey) with our clients about what they are trying to achieve and how they might go about getting there.

The following is a summary of our framework for improvement and change:

- **Be clear about the reason for improvement and change** - Clarify the linkages to organisational purpose and strategic ambition. Clarify anticipated benefits to individuals, teams and the wider organisation.



- **Engage through dialogue** - Build energy and commitment through dialogue and genuine engagement. Put away the megaphone and listen more. Co-create the compelling improvement story (why the change is needed, how it will affect people, what will it look like, how people can get involved).
- **Foster leadership at all levels** - Enable leadership that mobilises energy and commitment around a shared purpose to produce a coalition for improvement. Ensure that the top team is ready to play its part in developing leadership at all levels by creating and nurturing the space for others to take a lead.
- **Understand the system** - Map patterns and interdependencies. Get deep understanding of the external environment, stakeholders and politics. Anticipate risks and consequences and clearly identify required improvement. Understand the organisational state of change-readiness.
- **Honour the past** - Appreciate strengths and say what will change and what will represent continuity. Take the best of the past into the future. Build confidence.
- **Challenge for the future** - Challenge existing assumptions and mind sets as part of a process of learning. Look for successful organisations to learn from (not mimic). Foster aspiration and pursuit of systemic excellence. Be prepared to leave the inhibiting and constraining elements of the past behind.
- **Co-create the road map** - Develop a widely legitimised improvement road map based upon identifying a vital few improvement areas and themes. Find some early, quick wins.
- **Pilot, experiment and learn** - Prior to any full scale implementation. Select pilot units or departments that are the most likely to succeed. Disseminate the learning from the pilots.
- **Implement with clarity and capability** - Use data and metrics to monitor the journey. Build and deploy an organisation wide change management capability to monitor, enable and support the improvement effort. Listen carefully to people throughout the organisation to understand the lived experience of the change and keep asking for (and act upon) their ideas and suggestions.
- **Reflect, learn and adapt** - Pause to reflect on progress and lack of progress. Identify and confirm residual constraints, organisational blockages, unintended consequences and strengths. Take contingent action. Celebrate success. Identify new emergent improvement areas.



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ABOUT ELEMENTA LEADERSHIP

Elementa Leadership is a UK-based specialist leadership and organisation development consultancy with cross-sectoral international experience, focused on higher education. We are currently working at strategic level with universities that cover the all HE mission groups. We are committed to the future of UK higher education as central to the development of both a better society and a better economy.

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