Mastering Change as a Core Competency in your Organisation

In this article, Philip Atkinson focuses on how to install a strong and positive core competency, enabling an organisation to quickly change their operational effectiveness and their culture. Further, he explores strategies and activities that senior managers need to commit to, in order to develop both the capability and capacity to drive that change.

Assume change implementation is easy

Just imagine that you have developed internal capability to manage the majority of change projects that you need to implement in the next five years. What impact would that have on your organisational performance, growth, the culture and the external strains and stresses you are currently undergoing? Suppose your staff were sufficiently competent, developed and skilled to manage resistance to change, plan and implement complex projects and deal with dissatisfied customers, over-controlling stakeholders and resistant and difficult staff. Further, focus on the benefits of not having to employ expensive external consultancy groups, interims and business experts, because you could trust that all your people are able deal with all this as part of 'business as usual' rather than having to rely on the same few enthusiasts. Consider using the Acceptance Curve to assess your current capability for change.

Developing acceptance of change as the norm

Now consider the profile of the typical business. This may not be totally true for you but this is accurate for larger organisations that need to bring about huge changes in how they operate. For every 100 people you employ, you will be very lucky if you have two or three really outstanding staff members who are drawn to deal enthusiastically with complex problems. They are exceptional people who I would term 'change champions' and will willingly seek, initiate and take on new projects and portray strong leadership skills. You may also have an additional 2-4 people who we could class as 'early adaptors' who, seeing how the 'change champions' work, are willing to get absorbed in the process. If you are lucky, you will have a further 4-6 'late adaptors' who are willing to be involved in projects but not with the same intensity as their aforementioned colleagues. Perhaps if you are lucky you can rely on about 10 people out of every hundred to take some responsibility for leading change.

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- Change Champions – 2-3%
- Early Adaptors – 2-4%
- Late Adapter – 4-6%
- Fence Sitters 40-75+%
- Resistors – 10+%
- Apathetics – ?+%

To complete the people equation, where do the vast majority lie? We have found that most organisations will have a vast majority of people who are 'fence sitters' who are waiting for things to happen, rather than enthusiastically rolling up their sleeves and getting stuck in. They are neither hot nor cold to change initiatives. They have reason to feel the way they do. These are good people but many of them will not be as optimistic as others and seeing change through to the end because they have some history and some baggage of change not working in the past. You have to convince them that this time you are serious about implementing change.

Perhaps, unsurprisingly, the 'fence sitters' will account for 40-75% of staff with a further 10% being cynical and not wanting to be involved, see themselves as victims or casualties of previous change initiatives and not actively, but passively, resisting change. These unbothered 'resistors' may also be joined by some small numbers of remaining staff being classed as 'apathetics', who demonstrate little positive intent towards the change.

As you can see, this is neatly outlined in diagram one above. The horizontal axis depicts acceptance of change with the origin of the two axes being depicted as 'high acceptance' extending across to the right depicting 'slow acceptance of change'.

What is the purpose of using the acceptance curve?

The strategy to grow 'change competency' requires us to shift the various categories one or two spaces to the left on the Acceptance Curve. This means 'resistors and 'apathetics' become more open and their role in change and their allegiance changes to become 'fence sitters' – who in turn move further to the left to join the change activists in the three top layers.

This move only happens if you commit to developing staff to make that transition. We need to win acceptance to change faster. This starts with development to move the groups across (see diagram) from right to left so that we create willing, competent staff at all levels committed to seeing through and implementing change when and where required.

Self-assess organisational capability to change

Look at the categories of staff outlined and consider your own organisation.

- Do the percentages for each category hold up for your business?*

- Do you find it easy to assign people to the categories?

- Can you see the benefits of developing more change champions, early and late adaptors to support you, not just in managing, but also anticipating change?

- Now compare your assessment with that of others

- If you are part of an SME these percentages will vary

KPIs should tell the organisation whether it is moving closer to meeting customers' needs or still requiring improvement.

Build a culture of engagement

In order to develop internal capability for change, you really have to demonstrate that you care about the people you employ. You have to respect and trust them and are willing to give them the opportunity to initiate, drive and implement change. You know, the people who are best at implementing change are those who do the job, not a manager who may be distant from the operation. So, the first lesson in building this new organisational culture is to start trusting rather than controlling the workforce, and this comes about by the top team Leading the process and being willing to create an empowered culture that flows across silos, organisational boundaries and functions.

Five key factors or themes in building internal change capability

1. Leadership is critical -

Without Leadership you will promote no change at all. With it you can move mountains, without it you reinforce the attitudes of 'resistors' and 'apathetics'. Ensure your SMT lives the values and get them to understand that 'everybody is a boss watcher'. People at all levels look for consistency between management 'speak' and behaviour. Speaking the change is easy, demonstrating behaviour change is something different entirely.

2. Continuous improvement (CI) –

You need to focus first on continuous improvement (CI). CI is about improving systems, processes, and team and individual behaviours relentlessly – even if it's only by initially improving 1,000 things by 3-4%. CI is based on doing things better and faster by reducing cycle time, waste and bureaucracy and doing things more efficiency and effectively at lower cost. Our experience is that most processes can be improved initially by at least 10-15% and then continuing to promote improvement to yield other, more radical, improvements. The reason is simple. In too many organisations, processes protocols, systems are outdated, unfit for purpose, designed from the suppliers' perspective to deliver rather than the customer's needs. Often, the norm is that processes are unnecessarily complex and bureaucratic, over managed and largely either partially or completely undocumented and immeasurably out of date.

3. Customer Focus –

Really all improvement activity should 'start with the end in mind' – whatever your organisation does. That means focusing on the end user, whether they are client, commercial or retail customer, citizen, resident, householder tax payer, patient, account holder, user, passenger etc. Our research suggests most organisational processes are based on the organisation's preferences and ability to deliver rather than customer needs and preferences. Perhaps it time to rethink things and start off on the customer journey.

Non customer facing staff should focus 100% on supporting those who do

Radical though it is, we also need to think about the myriad of employees who never meet the customer. Not all people have day to day contact with the recipient or end user. These people

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could be support or back office staff who never interact with the customer or only do so electronically rather than face to face.

Focus your energies getting the relationship with the internal customer right before going out and developing a symbiotic relationship with the end user. We put a huge emphasis on developing a 'customer first' mentality and capability 'in-house' before becoming externally focused. Avoid the 'cosmetic' impression of being customer focused externally whilst still maintaining inefficient bureaucratic processes providing a poor quality service. Critical to customer focus is responsiveness and speed of delivery at the same time as creating a culture of continuous innovation.

4. Innovation, responsiveness and a bias for action

There is a fine balance here between the need to be customer focused and the role of innovation in the organisation. Although we believe it is good practice to seek input from customers and stakeholders when designing new processes and services, it is also vital to lead with Innovation. In some cases, innovations come from service providers without any recourse to the customer, but not all. Major changes such as 'Service Redesign' may require a much more balanced approach. Let me explain.

If you look back at major innovations in history you will find that Henry Ford never asked customers would they like a replacement for their horse and cart, nor did Edison question householders if they would like him to design a light bulb, Michael O'Leary never requested passengers if they would like to fly at bargain prices, nor did Bill Gates ask users if they wanted Microsoft to produce PC's with more than 32k of ram, or Steve Jobs asking the business world if they desired an Apple 11, a high performing iMac or smart phone – they just did it. They relied on their organisational culture of innovation and intuition to do and produce the right thing. All these innovations came from inside the organisation – not the customer. The think tank that these organisations were innovative enough to create did not evolve by accident, but through careful design and a constant striving for improvement.

This comes down to creating an arena where people can develop ideas and innovate on current processes or systems, take thoughtful risks and have the freedom to succeed.

5. Delivery mechanism: vision to KPIs

Finally, we need a structure upon which to hang the creation of internal capability. It's a good idea to start with the 'big picture' and then work down through the organisation. We call this the V-KPI© model, and it has evolved since we worked with and various companies such as General Electric, Volkswagen Financial Services, Aviagen, CNH Global, GE Capital, Diageo, RSPB and many others.

The model starts by understanding that every personal or business goal has to start with a vision or a picture of what it is you want to be, do or have. Success is not a matter of luck, accident or default but rather the result of purposeful behaviour with an end in mind. Organisations do not rise to the top of their game by accident; they do not transform their operations by accident or attract the best people and leaders just by wishing for them. Consider the following issues under the sub headings.

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Vision to KPI Model

Pyramid diagram from top to bottom:
- Vision and Leadership
- Values and Culture
- Critical Success Factors
- Behaviours and Actions
- Structure, Process, Role
- Key Performance Indicators

Vision and leadership

Where are you and how are you going to get where you want to be? What is the gap and do you have the internal capability to manage the transition? As a business leader you have to assess the degree of transformation that will take you from where you are currently, to your true potential, a journey of enduring and sustainable success in as short a time span as possible. What is the 'big picture' you are determined to create? What will be your organisation's core mission and how will it differ from today?

Values and culture

Organisational Culture is a much discussed yet a little understood concept in business transformation. Here are some issues you need to give attention to: What culture would best represent how you work and how can you create it? What is the dominant leadership style that will take you towards the vision and building the culture.

Critical success factors (CSFs) – priorities, goals and strategies

CSFs are vital in supporting you in moving from theoretical constructs to practical reality. Simply stated what are the CSFs for why you exist as a business entity?

Behaviours and actions

This is critical to developing internal capability and capacity to change. You will need to decide what will be the core behaviours that drive the new, transformed, organisation and

ensure they fit with the other logical levels within this Vision-KPI©. You will have to translate the values you have articulated into core behaviours, and build these into your leadership and your performance management process.

Structure, process and role
How can you ensure that your structure is sufficiently flexible to adapt to changes that arise or are imposed upon you by external factors?

KPIs – key performance indicators
KPIs should tell the organisation whether it is moving closer to meeting customers' needs or still requiring improvement. If they don't do either of those things why allow others to use them to measure your value and contribution, because the data will be used to illustrate that you are either efficient or effective.

For a thorough treatment of this model please consult 'One More Time – How do you Implement Business Transformation', Chartered Institute Management Services Journal, Winter, 2016.

Finally – developing internal capability
Your strategy for developing internal capability has to be tailored precisely to your organisation. Organisations are all on a particular and specific trajectory. The development work cannot be lifted off a shelf and transferred from one business to another.

What is clear is that developing internal capability for change requires a strong focus on behavioural and cultural change. This requires an understanding of the following:
- Culture change and business transformation – models and strategies
- (OD) organisation development diagnostics
- Service redesign, customer focus and engagement
- Behavioural change strategies and understanding personal change, learning and resistance to change
- Continuous and process improvement lean and problem solving tools
- Leadership in teams across functional silos

It is critical to design and develop your own organisational process for improvement and this requires recruiting staff diagonally and across the organisation to become trained CI trainers and facilitators.

Selection of staff for internal capability in change roles
Vital to delivery is pre-selecting the first few cohorts of staff who will undertake the change capability and development to equip them to progress through the process. This is a process, not a programme of events and workshops, but a flow of activities where participants develop into cohesive learning teams. Here it may be relevant to consult the 'Acceptance of Change' model referred to earlier to select the most capable and appropriate for the role.

Those selected should have a strong positive attitude, have experience of leading teams and discussion and willing to challenge when required. You are not looking for mavericks – you are however looking for a combination of team leaders and team players who are keen to advance and think outside conventional thinking. They will come together with a full understanding of influencing the change processes and learn how to plan and develop diagnostic tools to influence key actors in the change process.

Learning and development

We work on the behaviour behind the tools as well as respecting and modifying many OD and Lean tools to Business Improvement. Instead of focusing upon traditional Lean Six Sigma for improvement and problem solving technologies, we work on creating the culture of strong teamwork based on solid behaviours. This is done in a very tangible manner so staff can assess how they are doing and how they have improved.

Four key areas and they are all cultural or behavioural in nature

1. Business transformation and cultural change

a. What is Business Transformation and what are the stages we go through?
b. What is cultural and behavioural change?
c. How can I use the Vision-KPI model?
d. How can we get people to actively contribute and accept and drive change?
e. How can I better manage the key actors in the change process and, at the same time, change the things that need to be changed about the team?
f. How can I manage change with others more effectively?

2. Customer focus and stakeholder alignment

a. How can we delight our customers (and stakeholders) – both internal and external to the business?
b. Partnership with stakeholders
c. What performance standards are important to the customer?
d. How can we design a process of continuous improvement aligning with the customer to tackle problems that even they are not yet aware of but which will impact upon their business.

3. Innovation, responsiveness and action

a. What models of Innovation can we use to enhance customer and stakeholder value?
b. How can I improve my personal performance and enhance my creativity and innovation towards my team, my colleagues, team members and my customers?
c. What do I need to learn and how can I enable others to learn those things that will enable them to achieve their potential – both at work and outside work, in the larger community.
d. How can we encourage others to develop a self-critical view to improving performance at how we work with, manage and innovate with others?

4. Team and leadership effectiveness

a. How does our team interact with others?
b. How can we improve our performance in the supply chain of events?
c. Which areas require some strong focus, and which unclosed loops create most problems in terms of rework and confusion?
d. How can they work more effectively in functional, cross-functional and Virtual teams?
e. How can we create a planful and preventative culture where the energy is concentrating upon how to do things right first time?

The key actors in the change process

Sponsors and project hosts – usually senior staff who authorise projects and oversee them.
Change Agents – external advisers and trainers with internal staff and coaches
Stakeholders – those who have vested power and interest in key CI activities
Implementers – those who comprise the team and will work the improvement

Actors in the Change Process
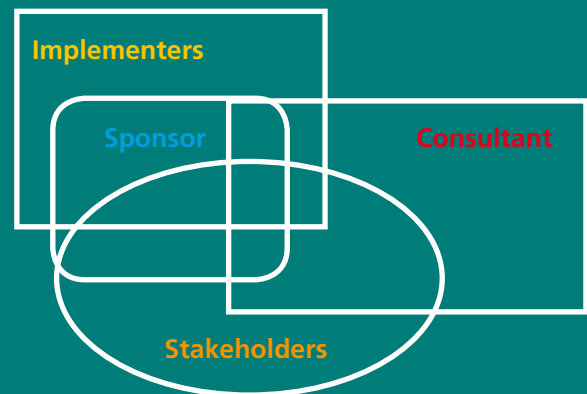
Win the support of others to write a detailed action plan reflecting roles, responsibilities and ownership.

Key issues in change
Now we have the ideas in place, including the development and an implementation plan there are some key issues that need to be restated.

Define outcomes and benefits
Define precisely how the organisation, staff and customers will benefit from achieving a high degree of competence in change mastery by developing your own elite group of change makers or internal consultants. Focus upon exploring and communicating the benefits of the 'change' to all.

Self-assess where you are on the change curve
Continually reviewing and assessing the time needed for you to achieve a goal is dependent upon where you are currently in terms of culture change. Managing the gap becomes easier if there is a clear understanding of the steps which have to be taken. If you are a long way from achieving your goal in cultural terms, then you need to break transitions down into discrete steps, which become sub goals – their achievement becomes the foundation for incremental change shared with all those going through the change process.

Milestones
Set deadlines for the completion of the projects or sub projects and review these constantly. Strong, effective project management is essential for maximum success. Adopt a critical attitude and understand now whether you are getting closer to or further away from your goal. This means you will need behavioural, team and cultural measures to assess progress. Ensure your goals are tangible and quantifiable.

Align with allies
Identify the key barriers to achieving your goal and who are the key players in the organization who can help you – either to facilitate change or open doors. Ask yourself who are the opinion formers, and align yourselves with them with the aim of winning their support.

Leadership
What knowledge will you need to help yourself and others achieve your cultural goal? Who in Leadership roles is important in the power stakes, and how willing, reliable and resilient are they to support you and your team?

Vision to KPI model
Have a clear image of achieving your goal. It is desirable to describe how things will change and what will be the core characteristics of this change. Imagine what others will see – what will be different – what will others say and what attitude will they portray reflecting the changes. How will your customers, and your team, feel about the changes?

Focus on implementation
Win the support of others to write a detailed action plan reflecting roles, responsibilities and ownership. Too many implementation plans remain within the heads of senior managers or the implementation team and never see the light of day.

On creating internal capability – change is a transfusion
We all need to understand more about the dynamics of change and how to influence people at all levels to be innovative, curious and wanting to improve things for the organisation, stakeholders and customers. We know from our work with the 'Acceptance Curve' that People resist change for a myriad of reasons but the change process should not be a mystery for them. It's your role to make that transition easier. Developing an internal capability to bring about reasoned and speedy change, exploring the change process from a personal and organisational perspective has big payoffs. Those who become Change Champions or play an active role as a Change Agent will stretch themselves, enhance their skills, and achieve a new found confidence. We all want more confident staff who have a high degree of self-esteem and start taking a innovative interest in how things happen for the better – and when they develop this curiosity, they become engaged and empowered and of true value to the organisation.

About the author
Philip Atkinson is a Director of Learning Strategies Ltd and specialises in strategic cultural and behavioural change. For the last 25 years he has been engaged as a consultant supporting organizations in strategic development, leadership, organisational design, post-acquisition integration, lean six-sigma, quality management and culture change. He has partnered with a variety of blue-chip companies in industries ranging from pharmaceutical to genetics, the automotive industry to finance and banking and from NHS bodies to Local Authorities. He regularly presents at conferences and workshop sessions and has written seven books on change management. He can be contacted through his website www.philipatkinson.com or T: 44 131 346 1276 M: 44 7999 799286.