

The **6** Secrets of Actual Organizational Change

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IT'S NOT A HISTORY, IT'S A FOUNDATION



As a discipline, change management has existed for more than 50 years. But despite its longevity, change initiatives have failed at a rate of 70% over the last 40 years (according to a widely

referenced McKinsey study). Nonetheless, most companies are still using some version of the same approaches they have been using for years. The pace at which the problems we are addressing is increasing so rapidly that our long-term organizational viability will depend on change management approaches that must be exponentially faster than what we have today. The models we use now simply are not enough. Every senior leader should be stepping back and assessing the adequacy of their approach to managing change. It's very likely your survival depends on it.

My former company, GE, has been utilizing what they call the Change Acceleration Process (CAP) model for many years.¹ The model was built in a non-digital time, when the problems to be solved were much more stable and desired outcomes were much clearer and easier to define and articulate. It was built for a world where the approach was linear and straight-forward—strategize then execute. It was a model that worked well for the world into which it was born. However, the unforeseen pace of change resulting from the advent of the digital age has rendered CAP-style change much less effective than it used to be. And unfortunately, a clear successor to the classic models has not been identified yet. There are many models and tools used in modern organizations for product and process development (most based on agile or lean methodologies, such as GE's FastWorks®) but the approaches for change management have remained much the same.

One of the reasons for the lack of change is that CAP-like processes or approaches are not fundamentally wrong—but they have become partial or insufficient.

These change models are designed for technical change, not adaptive change. Technical change is where the end-state or outcomes are known and can be clearly articulated and there is a clear solution—“if you do this you will get that.” Technical changes, more often than not, are no longer what modern organizations struggling to compete in a digital world are facing. This programmatic approach is too slow and the cultural factors are becoming more and more problematic. We are facing times of adaptive change, where behaviors must change (often times to allow the technical changes to occur) and where there are underlying challenges to these changes that render our overt change goals moot. Adaptive is an iterative process which does not stop and does not have complete clarity on the destination; there is inherent discovery or emergence in it. Renowned Harvard Business School Professor John Kotter taught us that change is linear—where the guideline is “don't skip a step, get to the end.” Now, change is a flywheel that repeats. Change moves from the noun to the verb—as soon as you get near the end, there is a new beginning

Adaptive change is harder because it is not programmatic, and because it nearly always involves cultural change as well. It is also hard because it is personal and must be done with individuals' engagement with change—their change—to start with. And it must happen a lot more quickly than people have made behavioral changes in the past. Classic change models are based on economic and rationalist theories of human behavior, but recent research has shown that change is much more personal, emotional, irrational, and based in neurological functions and processes—many of which we are simply not cognizant of as we go through our days. Finally, most of these are linear models in a world where linear models move too slowly and events are unfolding in a very non-linear way.

¹ CAP is based on John Kotter's work that starts with creating a climate for change, enabling and engaging the whole organization, and implementing and sustaining change. Kotter's model is still a foundational one for many change processes.

IT'S NOT THE HAMMER, IT'S HOW YOU SWING IT



So where does the difficulty lie? As transformation expert Ron Ashkenas notes, when it comes to traditional change management, “the content of change management is reasonably correct, but the managerial capacity to implement it has been woefully underdeveloped. In fact, instead of strengthening managers' ability to effectively lead change, we've instead allowed managers to outsource change management to HR specialists and consultants instead of taking accountability themselves—an approach that often doesn't work.”²

The ability to guide perpetual and rapid change must not only be a priority but a prerequisite for leadership capabilities.

Simply put, we have not given our people the capacity, competencies, and support to actually manage change successfully. We have given them tools and programs, but not the help they now need.

And so, they fail to adapt and begin to lose faith in anything actually changing.

Jon Wheeler, an Advisor at The Clarion Group (www.theclariongroup.com) who works across many types and sizes of organizations says, “Leaders of mature companies are often struggling with how to accelerate technology-enabled performance improvements to the core business while at the same time developing new technology-based business models. The historic approaches to change are not wrong when applied to continuous improvements or when the desired outcome to the change is clear. But in the rapidly moving and technology-driven world we are now in, these approaches are insufficient. Leaders must become equipped with the ability to also guide emergent-based change similar to the way a tech start-up approaches market discovery and value creation. For many leaders, ‘learn as you go’ is a personal challenge and goes against the grain of what they have practiced for many years.”

IT'S NOT THE STEPS, IT'S THE LEAP



Jen Kelchner, in her excellent article on change and digital transformation, says, “Real transformation isn't about tiny shifts. It requires bold pivots. We must recognize that sustainable change requires us to change how we think—on all fronts. Changing the way we think isn't saying that what we think now is inherently wrong. It means admitting that we can always learn more.”³

Change is never easy. However, with the right mindsets, guidance, and change tools you, your people, and your organization, will become stronger. Leaders who model these behaviors consistently and provide the right training and tools to everyone in the organization can create a culture of continuous improvement—one that, when built on openness, allows for the unlocking of the intelligence of people leading to the best solutions and highest competitive advantage.”⁴

IT'S NOT IN YOUR HEAD, IT'S IN YOUR HEART



Change introduces a new way of thinking, and most of us unconsciously try to make it fit within what we already know rather than revamp our underlying assumptions.

Psychology research suggests that our beliefs, attitudes, and social norms often influence our

willingness to change, regardless of whether they conflict with the single-minded ideal of maximizing our utility.

Everyone is acknowledging that people and culture are the missing elements to change and/or transformation. However, what you can actually do about it is often stated at an incredibly high level or is hard to define and implement.

¹ <https://hbr.org/2013/04/change-management-needs-to-change>

² <https://opensource.com/open-organization/17/8/digital-transformation-people-2>

³ <https://opensource.com/open-organization/17/9/digital-transformation-people-3>

IT'S NOT IN YOUR HEAD, IT'S IN YOUR HEART (Cont'd.)



Change is personal. Period. Yes, systems and structures need to change often to support the direction we have moved in; there are clear operating model ramifications and needs. However, we generally lead with these impersonal changes and, far too often, we end with them. Hence, change doesn't really happen. We pretend it does, but meaningful change in beliefs and behaviors does not

follow. They might go underground and the tacit values of the organization will diverge even more from the stated values (mostly out of fear of repercussion and the organizational disease of "hiding"—see Kegan and Lahey in *An Everyone Culture* for further reading on this topic). But, far too often, what you get is the specious guidance, "and, of course, change the culture," as the answer to this need to change beliefs.

IT'S NOT THEIR JOB, IT'S YOUR JOB



Managing change and transformation is leadership's job, not the job of HR or a consultant or some specialist function or team. And I do not mean it is a job to delegate, it is an essential part of the leadership job itself—and is the skill or focus most often lacking. Being an excellent strategist and/or operator is insufficient—but the majority of organizations don't recognize that adaptive change abilities are core leadership capabilities. Without adaptive change, organizational change will be mostly surface change. We have to help managers understand and make adaptive change because right now, there is a big, bad step zero in change management in the vast majority of companies. I repeat Ron Ashkenas' comment quoted above, "The content of change management is reasonably correct, but the managerial capacity to implement it has been woefully underdeveloped."⁵ We have to start with equipping the individual managers to effectively lead adaptive change, not creating the PowerPoint of the change program.

In a paper published recently by Deloitte, they said, "Remember, organizational change means changing human behavior, notwithstanding little evidence suggesting that behavior can be pliable or predictable."⁶

We need to be brutally honest about how much we've actually changed. And to this end, organizations tend to make two crucial mistakes. One is to believe that once we have learned about an approach that we are now applying it. The other is to believe that the

change we have made means we "have arrived," when in fact we've merely taken a first step and have a long way to go! To quote Bilbo Baggins, "the road goes ever on and on."

There exists a strange phenomenon that both Kotter and Ashkenas have witnessed while working with organizations and individuals on change. Often, if not usually, there is significant distance that exists between hearing about a different way of behaving, knowing what it looks like or how it shows up for you, doing it once, and actually changing habits and ingrained ways of working. Unfortunately, we often mistakenly think hearing is changing—we equate these in our minds and think that awareness has caused us to magically "leap the gap." Then we turn our focus to others and their need to change, wondering why they are so resistant.

Finally, challenged with the need to change ourselves, there is often a lie that we tell ourselves, which is, "I'm just fine where I am and don't really need to change myself." And if you don't think you have told yourself that lie, you are lying to yourself.

Research suggests that people can be inspired to change, even in trying circumstances, when leadership can meet their psychological needs of autonomy, growth, and meaning. One of the absolute best ways to do that is to demonstrate the changes we ourselves have made and role model not only the change itself but the process or struggle to make it. People pay a great deal of attention to what leaders do and little to what leaders say, especially if the two are incongruent.

⁵ <https://hbr.org/2013/04/change-management-needs-to-change>

⁶ <https://dupress.deloitte.com/dup-us-en/deloitte-review/issue-19/developing-more-effective-change-management-strategies.html>

IT'S NOT THE PROGRAM, IT'S THE PEOPLE



Change approaches cannot exist apart from the context and change they are intended to drive. The question, "What is the right/best/most promising change management approach or model?" is the wrong question. We need to understand our role in change and that we are a part of the system. We need to have the tools and capabilities, as leaders, to drive change. We need support to build these and we need to recognize that leadership, and what that means, must evolve if we are to successfully drive change. Then we can affect change in micro ways all across the system, running in parallel, based on the same principles with people finding meaning, growth, and autonomy possibilities in the coming changes.

Change becomes more human when it becomes a social experience of adapting rather than a top-down initiative.⁷ Wheeler captures this very well when he says, "Why is it, when a cross-organizational team is brought together to work an opportunity and are released from the normal assumptions and functional structures, their energy usually goes off the charts?"

The leadership challenge is to accelerate organizational change by tapping into this energy on a broad organization-wide basis while equipping the team and the organization with the capabilities and multiple approaches to rapid change. Mid-term viability is dependent on the breadth and depth of leadership's ability to guide change. Leaders need to start by looking in the mirror."

In other words, we have to let people work at change together and let the best approaches to change emerge during the change. However, we cannot just say "go change!" We need to provide leaders and employees with the building blocks to have these dialogues. NYU Professor Emeritus James Carse says, "Education leads toward a continuing self-discovery; training leads toward a final self-definition. Training repeats a completed past into the future. Education continues an unfinished past in the future." If we begin to look at our approach to change not as a process or program, but as an education to be put to use, we can then bring what is missing and accelerate not only the change but our ability to change.

IT'S NOT THE TOOLBOX, IT'S THE CARPENTER—

THE EMERGING TENETS OF CHANGE MANAGEMENT



So, what are the educational elements we need to support change in our organization? Below are six tenets we can start with and some accompanying solutions or

tools to support them.

- 1** An organization's identity is at the heart of change—the values and culture must support the shared context or "north star." If these are not aligned then change will be cosmetic.
- 2** The leader as learner, counterintuitively, actually allows the leader to be an effective teacher—we need to make the shift from know-it-all to learn-it-all leaders. Leading people through iterative discovery processes can role model this nicely.
- 3** Behave as if you believe while you rewire your beliefs—we need to provide some simple guidelines, or a social contract framework, for how we work together and so we can break old habits.
- 4** We must support discussion-based solutions to change—our approaches cannot be designed and scaled, they must happen locally, through robust conversation and local actions decided upon by the actors. We don't want the "Coercing Acceleration Process," we want change to happen—that's messy and local.
- 5** Curiosity is key—coach-like thinking is a must and we have to give our people the questions to ask, allowing for development over specific performance outcomes.
- 6** Understanding why change doesn't happen comes before making it happen—if we don't understand why we are immune to change we will never change.

⁷ Ibid

IT'S NOT THE TOOLBOX, IT'S THE CARPENTER— THE EMERGING TENETS OF CHANGE MANAGEMENT (Cont'd.)



So what are some actions you can take to move your change models into the 21st Century based on these tenets? First, if you are using a classic model it does not necessarily need to be replaced, but it does need to be contextualized, beyond changes where you can clearly see the detailed end-state. It will have limited impact unless you focus on building capacity (especially managerial) to implement change. These models can be reviewed and updated, but you should focus on the capabilities needed to implement change.

You need to align on what you think are the key capabilities or characteristics of leaders required to implement change and then link them clearly (and experientially) to change management in your programs and interventions. (The New Tenets of Change Management list above is the place to start

for an initial list of capabilities required.)

You could consider how this approach to a “change management vertical” of learning and development impacts your organization’s structure and approach. To be more specific, is “Change Management” a stand-alone discipline? Can it be taught as a vertical subject? Or is a workable model what you need to provide, (probably these are somewhat fungible) with the capabilities to use that model being the focus of learning?

Is there a set of capabilities that underpin all programs, and do the programs need to become relevant and appropriate experiences that allow attendees to apply, struggle with, and learn from “trying on” these capabilities? What implications could that have for how you teach change?

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Michael Leckie has over 20 years of leadership and consulting experience in driving organizational transformation in a digital world. A strong believer that organizations can only make the changes needed to survive by addressing both the social and technical systems of which they are made, Michael speaks across the globe on the art and science of leadership, digital leadership, culture change, influencing and communication skills, and the changing role of the CXO leader in a sociotechnical world. Professionally, Michael has served as GE’s Chief Learning Officer for their Digital Industrial Transformation where he was responsible for accelerating the company transformation to a digital industrial leader and has held a number of organizational design, leadership development and human resource roles with industry-leading organizations including Gartner, Inc., The Research Board, and Arthur Andersen.

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