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The Little Black Book of Change

The 7 Fundamental Shifts for Change Management that Delivers

Engaging the
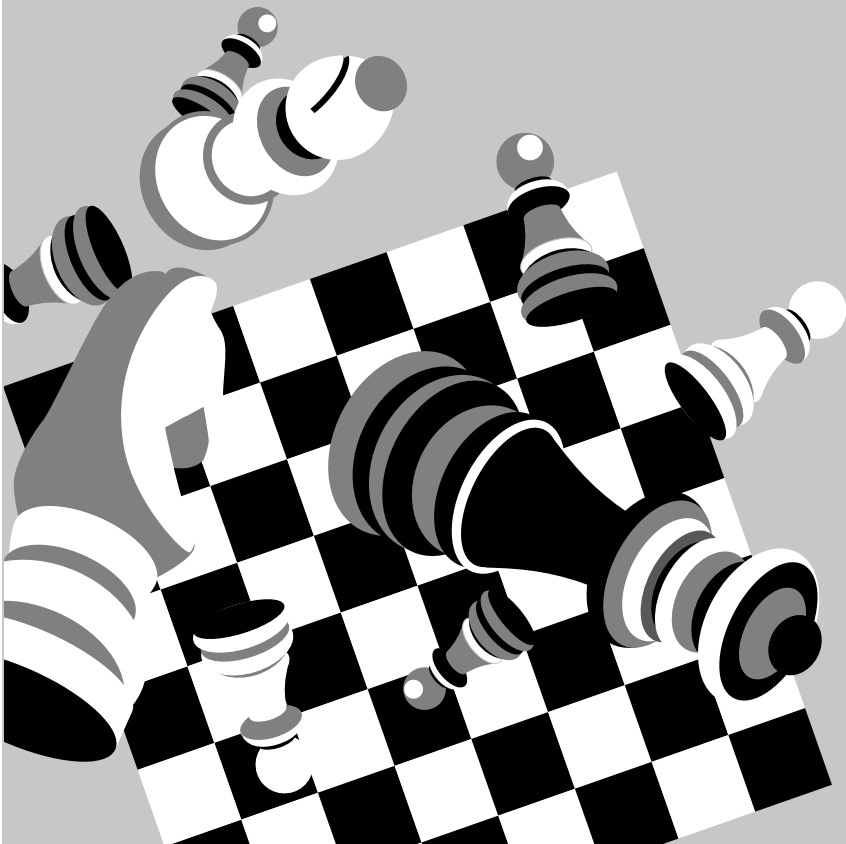players in the
bold new future.

Shift 4

ENGAGING THE PLAYERS IN THE BOLD NEW FUTURE

To create something extraordinary, you need to redefine what people believe is possible and identify what is missing. By "what is missing" we mean the required shifts in thinking and behaviour, together with the standards of performance that are necessary for the organization to exceed in the industry and market they are operating within.

To create a real transformation you are looking for the limitations of what is possible; the boundaries of thinking. This is where imagination and creativity are required. Look at situations through different lenses in order to break out of predictable existence and therefore predictable results.

"Look at situations through different lenses in order to break out of predictable existence."

There are many pathways toward igniting your people's creativity through their engagement in the vision. We aim

to provide you with insights into how you can unlock their imaginations.

Valuable insight and inspiration can be gained from looking outside your frame of reference; for example, at a completely different organization, even in a different line of business.

Consider this interesting example, which involved Great Ormond Street Hospital working with Ferrari.

Looking elsewhere for inspiration

The challenge

In the mid-1990s, the fatality rate of cardiac patients in transit between Great Ormond Street's Operating Room and the Intensive Care Unit became a priority.

Obviously concerned, management took a conscious decision to look outside their existing frame of reference, asking "Who successfully manages complex transitions under high levels of pressure? And who does it really well?"

They decided the answer was Formula 1 pit crews. These high-tech teams specialize in high-speed transitions; managing cars pitting from an incoming speed of 200 mph in an average of just 20 seconds. The World Record is held by Red Bull – for a 2-second

pit stop. Ferrari's modal average for errors during pit stop was an amazing zero, meaning they were more likely to make zero mistakes than to make one mistake!
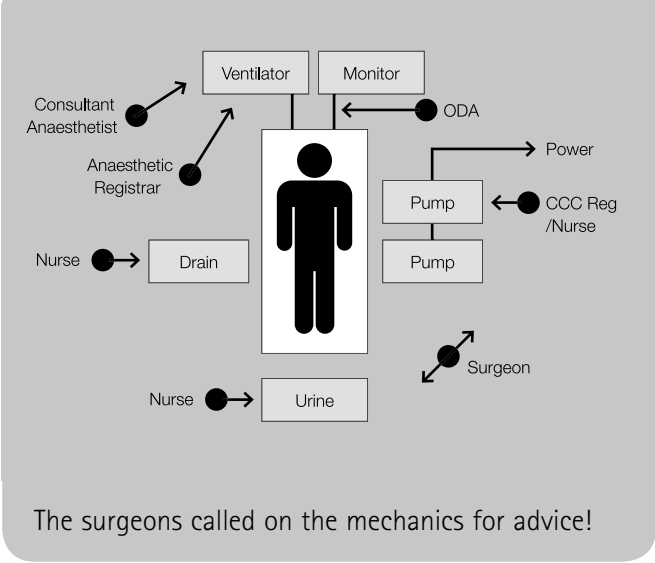
The approach

This amazing track record inspired Great Ormond Street's Head of Operating Theatre to contact Ferrari's Technical Director, who flew to London to observe their procedures in theatre. The Operating Theatre team was then flown to Monza to observe the pit crews in action. In particular, they noticed the pivotal role of the STOP/GO person, who is in charge of making all the vital checks before the car leaves the pit. Not only did they redesign their whole transition process following the report and observations of the F1 crew, they realized there was no one in the operating room performing the STOP/GO role at Great Ormond Street, so they introduced someone and it led to a breakthrough! It is amazing how a fresh perspective can help you see things that others miss: this is the power of going outside the normal frame of reference.

The results

Results were extraordinary, and fatalities during transition dropped dramatically! The technical and information errors per handover fell by over 40%.

In our experience, as illustrated here, the greatest barriers we face to achieving "breakthroughs" lie in the fact that we often live inside our own four walls. So we tend not to look outside our own industry, our organization or even our own department when looking for solutions and inspiration.

The surgeons called on the mechanics for advice!

Create the new state – and stay there

In most organizations, people are asked to do more things, more quickly and to be more creative with fewer resources than before. In addition they are then monitored for staff satisfaction! This makes it difficult for leaders to motivate people to change. The ability to authentically turn this

dynamic around is critical to success. Unless you have leaders and managers with the ability to take people to an empowered state of mind, this challenge can quickly block an organization's potential.

You need to create this empowered state, but also stay long enough in this "new place" to be able to think big and supply sufficient opportunity for both innovative change and extraordinary performance.

People need to be accountable for addressing what is missing if they are to be in a powerful place to lead the implementation of change.

All of us often face the challenge of in-the-box thinking, which typically shows up in the organization with:

- Predictable ways of operating.
- Complacency based on out-dated industry sector knowledge.
- A tendency to maximize predictability and minimize risk.
- Reverting to type.

Recipes for engagement

To improve engagement when a shift or change is required within an organization, we are going to look at control, align-ment versus agreement and the need for participation.

Firstly let's discuss control. Many organizations make an assumption that an effective way of unfreezing the

organization or mobilizing a change is by getting the person at the top or "board of directors" to make an announcement that "the company is going make this change". Then change managers or department managers spread the word that they have *the endorsement or mandate from a decision at the top.*

Clearly any organizational shift or change needs to be in line with the direction of the company or it is likely to come to a stop quickly. Change will be easier with senior management alignment. However, hiding behind an endorsement from a decision at the top, as described above, can be a blunt instrument when used as the primary reason for change. Potentially, managers use this endorsement to avoid dealing with the key people requirements for change when trying to deliver a vision. The only time this can work is if the organization is small enough in numbers and/or all in a single location or office.

Be aware of how power is exercised within your organization. For example, don't assume the power of the CEO, president or business leader can directly lead to a shift in a company or deliver mobilization or alignment across the organization for a change. At this level of seniority, the power of the role comes from the direction set for the company and gaining and maintaining associated alignment of both internal and external stakeholders.

To put this in perspective, getting the business leader's decision to make a change in a regional office, several layers of management below, with a geographical distance between HQ and the office location, is not going to be effective. It will be out of context and the "message" will get diluted.

Good senior business leaders understand that real power is never needing to use it. Ability to influence is very important. The difference is between having the "authority to influence" rather than "influence through authority".

> ## "Real power is never needing to use it."

Therefore, if you and your team have a vision, think first about:

- Who across the organization will be directly affected by the change? Who needs to know?
- Who are the senior management or teams that need to be engaged and support you?
- More importantly, what are the benefits for others? These benefits must be in context with the world of those involved or affected. It is most effective if the benefits positively impact external customers, i.e. not just your own area.

Benefits of a change need to be clearly defined, be simple and clear. Words, phrases and operating procedures in your workplace are unlikely to be easily understood by others. Companies develop their own language.

> ## "Benefits of a change need to be clearly defined, be simple and clear."

To summarize, let's take the example of a customer service centre wanting to completely change and improve the way

external customers are invoiced and pay the company for services or products they have purchased. This change might improve cash flow for the company and raise the efficiency of the customer service department. However, the sales staff might have a significant role in implementing this change and have to deal with the customer reactions (positive or negative). Legal departments might have to change contracts or terms of sale. Manufacturing might be too far away from the change to understand your resulting departmental benefits, so see no reason to get excited. Their engagement and enrolment is likely to be less than it could be.

Yet, if the change is cited as providing an important "point of difference" for the company relative to its competitors, it has a broader context and impact. It could move the company forward in using technology to support and help customers. Sales staff could sell more as a result. Terms of purchase might become more simplified and contractual terms less onerous, helping the role of the legal department. So if customers pay more regularly, repeat orders are likely to be more regular and as a result forecasting for stock will improved. A manufacturer's dream.

These statements above present a positive and more engaging purpose to stakeholders. Now, without mentioning the customer service centre benefits from the change, we have a story to engage others.

The stronger the benefits for stakeholders, the more they are likely to put your change at the top of their action list.

ALIGNMENT VERSUS AGREEMENT

Too often change is hampered by the assumption that agreement from all those involved in the change has to be reached before a shift can effectively happen. Obtaining total agreement on a sensitive, complex matter or issue is very difficult and has a low probability of success. However, alignment can be achieved. Alignment to move forward towards implementation.

It should be noted that achieving alignment can take investment in time. Acknowledgement should not be confused with alignment. In some countries perceived alignment does not lead to a group aligning behind action in a direction or purpose. In the West, if alignment is reached a project or change moves forward. For example, a vote with a majority provides direction. In some Asian countries it can be more challenging, with emotional alignment, procedures, ritual and routines all needing attention.

The most important lesson about alignment is that it does not last for long. Be patient without losing your determination. Teams, departments, will constantly need re-aligning. As discussed in other areas of this book, commentators and those with interest rather than commitment will fill gaps in understanding with ideas, views and opinions that create ambiguity. In the absence of a clear direction they will create momentum in potentially different directions. Don't expect alignment to last and prepare to realign several times. Ambiguity will exist and will be created by others.

PARTICIPATION

For an organizational shift to be successful, however large or small, participation of all staff across the company will have a positive impact and is therefore very important. To achieve this objective, creating an epidemic across the organization with positive emotions and support for the shift really helps. The more engagement from others across the organization, the higher the probability of their participation. The vote for Scottish independence in 2014 provides an excellent example. The power of emotion created by an epidemic supported by public interest (worldwide), personal pride, and a clear deadline with a purpose (a yes or no vote on a defined date).

> "The more engagement from others across the organization, the higher the probability of their participation."

Emotion played a major role in voters' decisions. Commentators helped create emotion and the subsequent epidemic across Scotland that led to so many people taking part in the build up and final voting.

A shift was created that was independent of the resulting "no" vote. Government and political parties participated in trying to guide emotions and stakeholder opinions towards a different outcome than Scotland's independence. As you may know, this was a very difficult task as emotions were running high, and required significant effort to avoid a "yes" vote for independence.

You can create mechanisms within your organization to drive engagement, for example, by creating "pioneering teams" – a significant step above the classic staff suggestion team where you task the lower levels of the organization to drive organizational change or tackle those most hated issues in the company. The aspects of this staff approach that work well are to:

- Have them come up with the ideas and have the organization select the top ones to prioritize.
- Support the successful teams with coaches, mentors and training if needed.
- Create short deadlines, e.g. what could they make happen in just 100 days?

Imagine if the same participation and engagement could be achieved in the shift you need to create. The good news is that a similar situation can be created. If a change has benefits that attach emotional as well as functional or procedural benefits, the power of purpose created will very likely lead to a shift.

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Endorsement from the top helps, but should not be over used. Create a clear purpose, be clear on the benefits and communicate through traditional channels as well as viral

ones: coffee machine conversations are powerful. Mis-alignment will occur. Expect to need to reach alignment more than once. Investment in time will be required. Be prepared to be patient. Don't underestimate the power of emotion …

How to engage players in the bold new future

In supporting this transformational shift, we are starting to show people the difference between the old practices and the new game. Here, you need to shift your focus and apply specific skills:

"From" Leaders:	"To" Leaders:
• Finding rational and creative ways to justify poor performance. • Accepting assumptions at face value.	• Opening up problems and taking action. • Defining a new context for problems and taking action, defining new expectations for superior performance. • Challenging assumptions and leading by example.

The following example illustrates how predictable ways of working can hamper creativity and dampen aspirations for the business.

Pushing for "out-of-the-box" thinking

After years of marginal growth and a focus on cutting costs to grow profit, the CEO wanted to shift the company towards a higher growth strategy. The company was trying to "save its way to success" – not a good long-term strategy.

The CEO announced: "We're doing the same thing over and over again and then expecting something different."

The challenge

The company aspired to grow sales revenues by double digits. They developed detailed business plans with supporting analysis and advice from consultants. Management was not short of creativity, but they lacked innovation and, therefore, the capability to implement their business plans and get the desired results. Why?

The company had habits that were preventing "out-of-the-box" thinking. The existing ways of working were stronger than the management's commitment to change.

For example:

- Stretch revenue targets were introduced into bonus incentive plans, but the profit was

weighted higher than the revenue targets. So if revenue targets failed, bonuses were still possible so long as costs were cut and profits secured.

This was a self-fulfilling prophecy.

- Sales pipelines were developed, and sales opportunities and risks were identified. Commercial teams therefore had the potential to deliver additional revenues and reduce sales risks by solving associated problems. The finance teams worked diligently to challenge the probabilities associated with the opportunities, making provision for the risks materializing. As a result the sales forecasts were lowered, so the probabilities of sales opportunities went down – and the risks were mitigated by cost cuts to protect profit.

This led to routine practices in which every stretch plan was normalized back to "doing as we have always done" – lowering forecasts and cutting costs. No matter how much the company planned for a change in priorities, existing routines continued to thrive on "in-the-box" thinking. Resulting in no revenue growth.

The approach

Honest and sometimes uncomfortable conversations about performance were held at executive

management meetings. The thorny issue of constant under-achieving was challenged publicly, and the need to think and behave differently was recognized.

Today, leadership are now working to new targets that positively weight the company's revenue aspirations. Budgets have been rebalanced to enable the required investment in new technology. Incentive plans have been put in place, and constant reminders to keep behaviour in line with incentives and to prevent normalizing behaviour from re-emerging.

The outcome

The company is now delivering results in a very different way. For example, focus on fewer objectives that are more important has helped turn around key areas of the business. Whilst internal targets are not always achieved yet, growth is achieved on a consistent basis and in a very difficult global market and ahead of the majority of competitors.

Key takeaway practices

• Ask people what is missing to fulfil the vision or request – this always leads to people telling you what is required and moves conversations away from what is wrong and lacking to what is missing and can be provided.

• Ask people be accountable for addressing the missing areas they see – avoid taking the responsibility back.

• Seek alignment – following the process of making proposals, ask people if they are aligned and if not what is missing for them; have the discussion.

• Make more requests than promises – powerful engagement comes from others taking the actions and making the proposals happen, not from senior leaders taking the action.

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