

Case study ...high magnitude organizational transformation

This was a two-year engagement assisting a team in the wholesale transformation of a global enterprise. We were asked to assist a multi national organisation with over 90,000 employees and a global turnover of \$20 billion in the design and implementation of a new way of working for a significant part of that organisation which involved wholesale changes to organisational structures, systems and processes. This project was very large and complex, and part of a total global reorganisation that had been underway for some years. Specifically we had three tasks:

- To help the wider leadership team function more effectively to ensure that the change project was delivered in a way that was sustainable, effective and efficient
- To help individual members of the core leadership team through one to one personal development over a period of 18 months
- To support work-led leadership events that would build leadership capacity, as well as accelerate the delivery of sustainable results

The wider leadership team was a Project Board of 13 people that included the global project director, the global head of IT, the global head of programmes, the global head of process design, the global head of organisation design, a head of each of the biggest businesses and geographies, finance and communications. The second leadership team was an inner core of this group. Other people we had to work with and engage with included the executive vice presidents who ran the businesses around the world, and the owners of various processes.

How we interpreted the change challenge

The company's global reorganisation had been underway for some time and energy and enthusiasm for it was waning, even though a lot had been achieved. The part of the business we were working with was at the stage of finalising organisational, systems and process design and then implementing it across the world. We determined that at this stage the majority of people saw this as a "programme run from the centre" which they were not motivated to embrace. The project implementation teams numbered over 3500 people. They were being tasked with quickening the implementation and delivering savings, but were also suffering from under-motivation. Jobs they had been promised when they left the project were no longer guaranteed.

The leadership challenge we described for the Project Board was that they needed to motivate this team, but also to help them succeed through building their leadership capability, their change and business knowledge, and providing the right resources and technology so that new ways of working could be implemented.

Our Approach

Our overall approach to assist this organisation in long term, complex and high magnitude change was based around Transcend's core values and beliefs:

- *Profound change must come from within the business* – sustainable change is not an end in itself, or a separate workstream. This project had an annual budget of almost \$1bn and was always seen to be about improving the business as a vehicle to effect change in individual, team and organisational behaviour, not changing to affect business performance.

- *Securing profound change is systemic.* Our working assumption was that the executive sponsors and Project Board were a reflection of the wider system, as well as a crucial enabler of profound change within the organisation. We saw our work with these teams as a high leverage activity.
- *Leaders create the conditions for change.* The Project Board increasingly recognised that how they demonstrated their leadership and did their work, impacted on business results. They needed to adapt their leadership for different contexts, in the same way that a gardener knows that you need different conditions to grow different plants.
- *Building capability, involvement and impact across the organisation is essential to sustainable transformation.* The way that work is led and done creates the culture of the organisation and shifts the business to a new level of capability. But to sustain this it is vital that the culture also embraces learning so that people's capability can grow.
- *Change starts with self.* Change happens as people do things differently. This inevitably means one small act at a time. Leaders need to set examples and applaud others in the organisation for making their own changes. To support leaders to act differently we used a blend of approaches that included assessment and diagnostic instruments combined with one to one and team interventions.

Our Interventions

We spent some time introducing the client to our original and evidenced based research in how to go about change on a practical day-to-day basis. We introduced them to new ways of thinking about change to give them more choice and more flexibility. We asked them to review their change architecture, and introduced to them the four change approaches that emerged in our research as commonly employed, so that they could choose the most appropriate approach. Our research also pin-pointed essential day to day leadership practices which correlated with successful change – our research indicated that 50% of change success was down to *how* change was lead.

We supported the Project Board as a whole team to map the systemic organisational and people dynamics in the many and varied business units and geographies; how to create the case for change so that it is compelling; how to build a shared vision so that people join together on a new journey; and implementing a change measurement and tracking system.

We also undertook an assessment of how the team operated together. We used a core and unique evaluation tool based on our original research. The tool gives a 360 degree assessment of a person's change leadership practice. At the end of the team's development period the exercise was repeated to find out what had shifted in their leadership practices, and what changes could they link to business results. The team as a whole shared these assessments to help each other to develop through a balance of support and challenge

Since different parts of the organisation were changing at different times it was important for all teams including the leadership teams to be clear of their purpose. We used our Change Pathway as a guide to allow people to know where they were. This Pathway identifies phases, practices and interim outcomes for

each stage on the route to successful change. We designed a series of workshops around the pathway for all teams. The skills required for each phase were then worked with in the moment during workshop sessions in order to invite teams to behave differently so as to achieve different results. Teams grew in confidence and became more ambitious for themselves, as well as for others.

One to one coaching

Each member of the inner core leadership team had an individual coach and they identified their individual goals in the pursuit of how to be even more effective. A set of general goals was agreed:

- Linked to the work of the Leadership Team and its role
- Audacious and ambitious
- Measurable
- Relevant and timely
- Future proofed

Each individual used this as an overall frame for their own goals, which included goals for their Change Leadership Practices (CLPs) (informed by their individual assessment report which had identified their strengths and development areas). The aim for the CLPs is to balance the four practices, and to increase people's capability to practice them all well and consistently in pursuit of the business goals.

Because our team of coaches are experienced business people as well as having an understanding of psychological processes, they are very effective at working at very senior levels where it is absolutely necessary to focus on *the work* that the executive is doing, as well as *how* they are going about it, and the beliefs that underpin the way that they work.

Some business coaches may concentrate on helping the coachee identify critical events in the future that they have to address, and prepare them for those. Others might focus on the here and now experience of how the coachee is presenting themselves in the coaching session. In Transcend our coaches focus on both.

Each of the inner core leadership team were coached once per month for about 90 minutes and then they met together and were coached as a team in the moment of their doing real time work as described above. The impact for the team was that deeper conversations happened which enabled different decisions to be made which had deeper impact. Quite often these decisions were about what not to do and what to stop doing as much as what to continue doing.

A practical learning we have taken from working with this particular client is that we would not recommend that the person coaching the CEO coaches anyone else. However, that person could also be the lead team coach and team facilitator.

Impact of this intervention

The impact was seen at three levels at the end of 18 months as follows:

- At the individual level individuals reported confidence in using the Change Leadership Practices. This enabled them to be more effective at creating a compelling story for the future, and engaging members of staff at all levels of the organisation. They were more able to accurately name and positively use their own emotions in trying to understand how others in the organisation might be feeling about the change and find different ways of leading and managing the change.

- Because the Project Board brought in different voices with multiple perspectives it was able to see very widely across the organisation in what was a rapidly shifting environment. Through this work, the Board realised its capacity to co-create solutions, and to understand how to involve the very broad range of stakeholders, and when which stakeholders were needed in order to make decisions for the business. Ultimately the deliverables were to be delivered by the Executive Vice Presidents and the Project Board had to find a way to manage this expectation and support them in their leadership development to take ownership of implementation. The Board of 13 also recognised that it was simply too big, and all members weren't needed to be part of all decisions. We facilitated the team to have a discussion about this and they decided to have an inner core in addition to the wider team, and agreed how and when to connect the two parts to itself and to the wider organisation. This was an important strategic move.

At an organisational level there was evidence of leadership teams being able to create the conditions in which more difficult and more drastic decisions were made. These decisions which, though painful, were necessary to deliver what was required of the project. As an example, given the drop in global revenues the budget for this project came under severe pressure. We created a forum in which we co-created an Open Space to bring nearly 100 people together to identify how to save over \$250m in a given year. This seemingly impossible task was achieved within 48 hours and delivered more savings than were anticipated because they got to understand the underlying mental models that had prevented such savings being generated previously.

Michael Thorley