

TRANSFORMING ORGANISATIONS

*Changing the
what and the how*



Transformation is more than just ‘big change’. It is a fundamental shift, where something new has been created, beyond which there’s no turning back. The need to transform an organisation shows itself when there is a fundamental need to re-invent what an organisation does – be it for reasons of competitiveness or even survival.

Typically, three key levers dominate the transformation challenge:

Corporate strategy Co-creating breakthrough strategies that change the game	Leadership Developing transformational leadership to make strategy a reality	Culture Building more creative cultures for long term sustainability
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These three levers are intrinsically linked. The interconnection between them is complex and understanding these interconnections is at the heart of steering a transformation course.

Corporate strategy plays an important role in framing an organisation’s actions and is in turn shaped by an organisation’s sense of purpose and it’s ability to implement. **Culture** is both a set of beliefs held by an organisation and the way in which individuals interact. **Leaders** are instrumental in setting the tone for an organisation’s culture and in ensuring the effectiveness of implementation of any given strategy.

It is difficult to move any one of these levers in the absence of the other two.



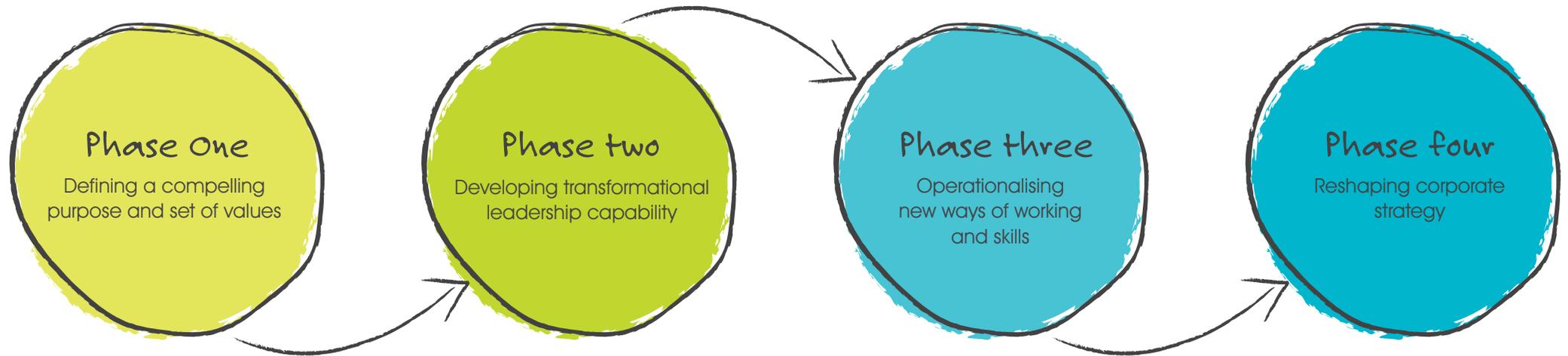
Transformations cannot be imposed from the outside. Long term sustainability requires full involvement and engagement of the organisation, particularly leadership. This is achieved by establishing a clear sense of purpose and common belief system; by actively engaging leaders in designing and co-creating their own future and ensuring they understand that in order to change an organisation they must first learn how to change themselves.

Transformation, therefore, should focus on embedding:

- A compelling purpose and set of values
- Transformational leadership capability
- Effective ways of working and skills

...all in service of and shaping corporate strategy.

A SENSE OF THE JOURNEY



Transformations do not follow a fixed course or methodology, yet there are broadly four main phases.

Every transformation is different and is bespoke but in general terms it takes three years for the culture of a major organisation to shift. Phases one and two probably cover the first 18 months, in which it could be expected to have reached the majority of employees in an engaging way.

PHASE 1

COMPELLING PURPOSE AND VALUES

Discovering **purpose and values** is the start point in the journey. They underpin strategy, leadership and culture – capturing the core beliefs that bind the organisation together and generate a sense of belonging. They act as a reference point for individuals and teams for decision-making and are key components in generating and maintaining momentum.

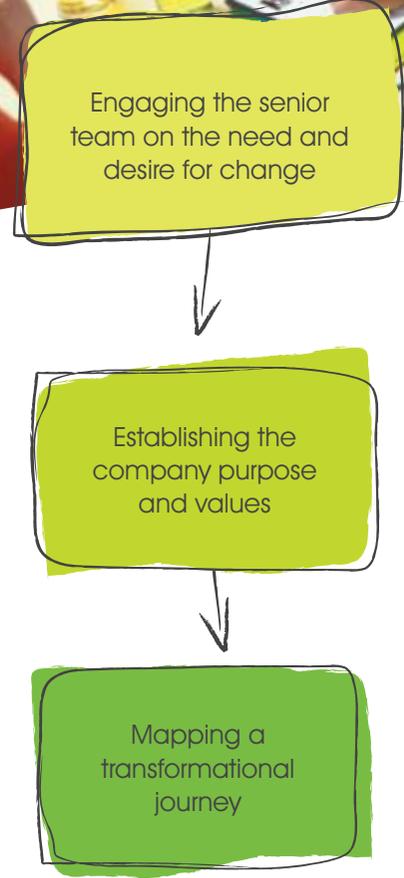
Conducting exercises to define mission statements and values in splendid isolation is great fun for senior teams but usually achieves very little and results in short-lived fads.

A purpose is encoded within an organisation. It is part of the inherent DNA. Finding purpose is therefore primarily a discovery process and relies on data from asking employees,

customers, stakeholders and opinion formers what they believe the company stands for – what its **purpose** is.

A core group of senior leaders will then need to work with the CEO to make sense of the data and distil from this the purpose of the organisation, and subsequently its **values**.

These are the corner stones that will bind the future organisation together.



PHASE 2

DEVELOPING TRANSFORMATIONAL LEADERSHIP CAPABILITY

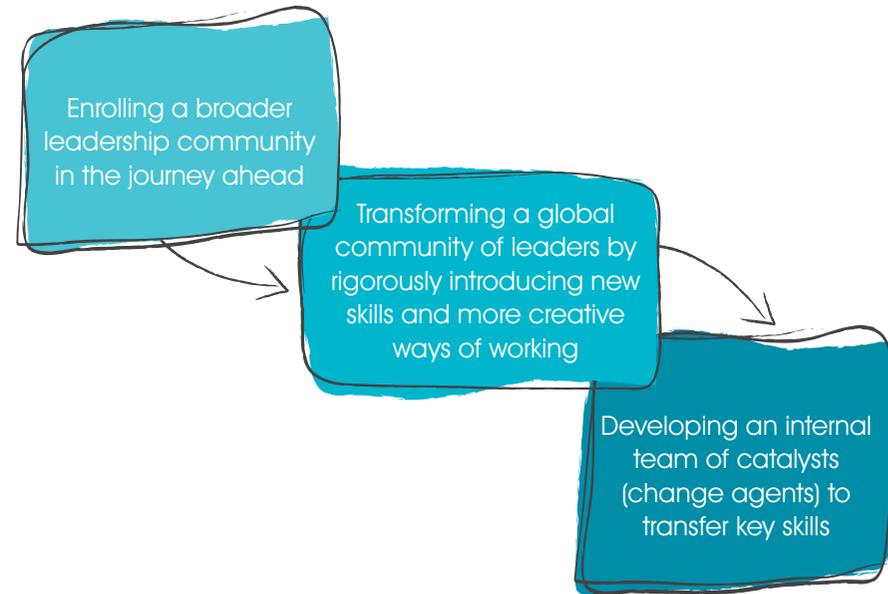
Leadership is the most important factor in shaping culture. Organisations have a chain of command, or a flow of leadership. For effective transformation it is important to engage this flow of leadership at each level - since, when implementing change, individuals look to their leaders for confirmation and ownership of the shift in direction. If leaders are not seen to be on board with change then the organisation will slip back into old patterns of behaviour.

The key to genuinely shifting culture is to get subsequent layers of leadership involved in co-creating their own future and in a commitment to changing themselves. The more genuine and authentic a leader's belief is in the

cause, the more inspiring that leader becomes. Such leaders are then in the most powerful place to engage their teams.

By its nature therefore, such changes must start and be shaped at the top.

The bonding of the senior team, creating a sense of oneness, will give strength and momentum for the journey. Properly informed by data, the senior executive team should develop the purpose and value set for the organisation and then enrol subsequent layers of the organisation by honouring the flow of leadership.



The process of co-creation

At the heart of engaging the broader leadership community is the process of co-creation and the commitment to self development.

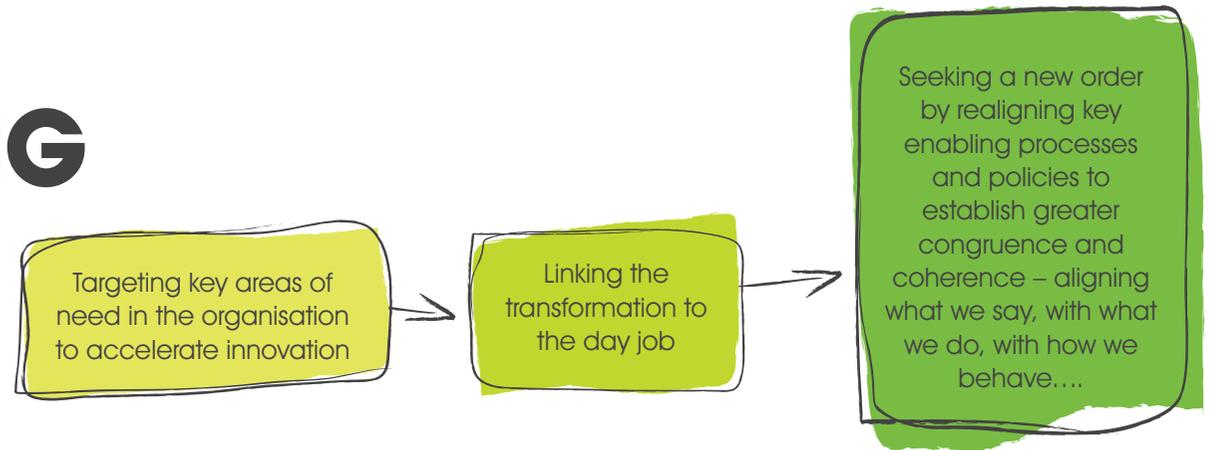
Telling an individual, particularly a senior leader, what their values are is never a particularly good idea. It is important to involve those individuals in developing the richness of the culture change. This needs to be done with skill and within parameters set by the executive team. People expect guidance from their leaders, yet they are most engaged if they can co-create their own part of the transformation within given parameters.

To supplement this spirit of co-creation or involvement process, it is important to also address the "what's in it for me" question, stressing the sense of investment in people and in the individual at all levels of the organisation. This is achieved by a consistent introduction of new skills and experiential learning which builds better leaders.

"I helped shape the direction of this company and developed myself hugely in the process" is a compelling argument for change and getting on board.

PHASE 3

OPERATIONALISING NEW WAYS OF WORKING AND SKILLS



Learning new ways of working and new skills

It is highly likely that values and mission statements already exist within the organisation. The data gathering and sense-making process will both confirm and challenge these beliefs. To get underneath these beliefs, to create new refined beliefs and enfold others will inevitably require leaders to work in different ways, to acquire new skills and to form new and stronger relationships. Otherwise it is unlikely that the purpose and values will be anything other than slogans and the strategies empty theoretical exercises. Doing things in the same old way is unlikely to bring about new thinking.

Getting the best out of oneself, getting the best out of teams and communities is something rarely focussed on in organisations today. At best skills are obtained through personal experience which by its nature is individual and not systematic.

Effective transformation programmes introduce techniques that enhance the creativity of individuals and teams. This establishes a common language and approach which enables groups to work together more creatively. Ultimately it becomes the way in which individuals interact; it becomes a significant building block for culture.

‘Tipping’ the culture

Organisations of any size have a defined subset in leadership positions. It is key to build a sense of leadership community at the top of a system. To ‘tip’ an organisation, and effect each and every employee, it is then necessary to get to and enrol the front line or first level leaders in the purpose and values and the necessary ways of working to implement strategy. This introduces the doctrine of leader-led development which helps re-enforce the culture as “the way we do things around here”.

First level leaders are the individuals who interact most with employees and the outside world and therefore they need to be ambassadors for the company and its culture, just as much as the senior leadership group.

Through this phase a new way of working can establish itself, from which can emerge breakthrough strategies and innovative ideas that have been obscured by the previous dominant culture. Although supported from outside, none of this can be imposed from outside. It requires ownership right through the organisation but must primarily be held by the top.

PHASE 4

RESHAPING CORPORATE STRATEGY AS A CONSEQUENCE OF CULTURE SHIFT

If executed in the right way, the freshness of the new culture will stimulate a certain momentum of its own, if only for its novelty factor.

The real test of course comes in the culture's ability to shape the market and have genuine business impact over and above enhanced commitment.

As the skill levels grow, teams will take on increasingly challenging business opportunities. Consequently, leaders will begin to view business in a different light and thereby start to reshape corporate strategy.

Throughout the journey, particularly when the novelty of the new approach has worn off, the previous dominant culture will tend to push back and people will retrench to old behaviours.

Challenging the status quo and driving new working practices into daily operation requires constant commitment throughout the flow of leadership. In particular it requires firmness from the top that holds the organisation through change, whilst also having the astuteness to re-invent the culture as the organisation learns and progresses.



We have been helping transform
organisations for 20 years.

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