The Multifunctional Approach to Transformative Leadership

A Holistic Business Transformation Journey

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INTRODUCTION

We are now living in an era of transformative change. Change is coming at us from multiple directions and sources. It can no longer be managed by a simple process approach. The nature of this change permeates organizations at every level. It touches and involves every employee. We must now embrace a more complex, holistic, multi-functional approach to transformative change. One singular function will not achieve the desired and required results. We must understand all the functional approaches that must be involved in any transformation change process. Incorporating all possible functions will accelerate and deliver this change. To ignore the critical importance of the multifunctional approach will stall change initiatives.

Now and into the future, this change will not just modify the way we do business and the way we work, it will completely transform the very nature of the work we do and the organizations in which we work. There is no escape. We are moving very quickly into this new world, where the old paradigms of work and organization will shift into new, unknown and untried models. These can be very exciting times, but also very daunting and confusing times, when everything we know will be questioned or even disappear. And this change is just beginning. Come with us on this journey.

3 Key Concepts to Help Control the 'Change Effect'

Discontinuous Change – Welcome to the New Normal

Over 25 years ago, Charles Handy wrote his book, The Age of Unreason. Its relevance today is still undeniable. The message continues to be both profound and prophetic.

Handy's opening remarks state, "We can and should be in charge of our own destinies in a time of change." With that backdrop, we will focus on all aspects of change and change management. We need to recognize change as a constant part of our 'new normal,' not as an isolated event. *It's here, it's all around us, and it's not going away*.

Today, as leaders, managers and employees, we need to understand the disturbances that change will cause. We will discuss how to deal with change as part of our jobs and everyday lives. Learning to deal with change and managing change is everyone's responsibility. You are, "the levers of change."

Change is a very broadly defined word. For our purposes, we need to clarify and define our change terminology. Direct from Charles Handy are three key concepts that are basic to understanding change in our world:

1. **Continuous Change:** Comfortable change based on the past. It is a gradual, continuous evolution based on known, predictable data evidenced by a preference for the status quo. It is reactive, seeking stability while changing as little as possible.

2. **Discontinuous Change:** This change is not part of a pattern, but is confusing and disturbing. It is far less comfortable and more difficult, but more interesting and exciting with an uncertain mix of danger and opportunity. It is forward focused and requires innovation and creativity, with solutions that can initially appear irrational and ludicrous.

3. **The Age of Unreason:** The new future needs to be proactively shaped by us. "The only prediction that will hold true is that no predictions will hold true. This is a time for bold imaginings, for thinking the unlikely and doing the unreasonable." (Charles Handy, *The Age of Unreason*)

WHAT IS THE NEW NORMAL?

We are now living in the midst of discontinuous change, which is both confusing and disturbing. Let's figure out how to shape and control our future positively. To survive, we must learn to use change instead of reacting to it. Ignoring change is no longer an option! Hope is not a strategy!

Discover 2 Key Change Concepts That Can Be Game Changers

Is there really a difference in the types of change confronting us now?

Change is all around us. The word 'Change' has been so overused, we can no longer determine its precise meaning. For example, a moderate change in process is far different from a change of epic proportions. The same word, 'change', has significantly different meanings, outcomes and consequences.

Let's further develop key change management terminology where previously 'continuous change' and 'discontinuous change' were defined.

LET'S EXTEND THESE CONCEPTS

1. **'Change by Degree' *(gradual, evolving)*:** Under the 'continuous change' concept, we reference the word 'evolving'. Now let's take that concept and add 'change by degree'. Change by degree is part of the 'continuous change' process where change is still recognizable from its earlier form. However, there is a tipping point, when 'change by degree' is no longer a valid representation of the current state. And, if we are comfortable with the concept of 'continuous change' we may very easily miss the point when 'change by degree' has morphed into something new.

2. **'Change in Kind' *(significant departure, a new reality)*:** This new form represents a significant departure from the earlier form, to the point where that earlier form is no longer recognizable. At that point, change has become a 'change in kind'. We are now in a new reality. So what's the issue if we miss recognizing the tipping point? We get so comfortable with 'change by degree' that we fail to realize the need to completely change the way we do things to both align with and fit into the new reality. The old rules and ways no longer apply. We mistakenly treat this new reality as if it's just an extension of the old state. And there's the problem.

Think about your experience when 'change by degree' has been replaced by 'change in kind'. It happens in both your work and personal lives. No one is immune from a 'change in kind' experience. Today, it's happening all around us. In the work place, it could be a change from commission-based sales to fee-based account management. On a personal level, it could be the arrival of a baby or the death of a key family figure.

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Discover 2 Key Change Concepts That Can Be Game Changers

Is there really a difference in the types of change confronting us now?

We must always be mindful of the real scope of change and deal with it accordingly. It's too easy to misread or deny change. **An example of this is the story of the frog in the pot.**

> *The frog, a cold-blooded animal, adapts to hot and cold elements in its environment. If you put the frog into a pot of cold water, and begin to heat the water slowly and gradually, the frog will slowly adapt to the heating water – not recognizing that, at some point, the water has changed from warm to boiling. The boiling water, the new reality, is now a hostile environment.*

By slow adaptation, the frog, doesn't realize the water has changed from a 'change by degree' (warm) to a 'change in kind' (boiling). In the end, slow adaptation will cause the frog to perish.

Only we can control our observations of and reactions to change and how we manage change. We must recognize the signposts telling us when we have moved from 'change by degree' to 'change in kind'.

Be mindful - don't go the way of the frog in the pot!

4-Point, Anti-Change Reality Check

Anti-Change Is Systemically Embedded in Organizations. And We Still Ask, "How Come Change Management Is So Difficult?"

We use the term change very casually these days. Change literature is all around us. Change management is now considered a core management skill. Organizations talk about how employees need to embrace change. So if there's all this noise about change, why is the reality of change management like pushing molasses up a mountain?

IT'S ALL ABOUT THE VERY NATURE OF ORGANIZATIONS

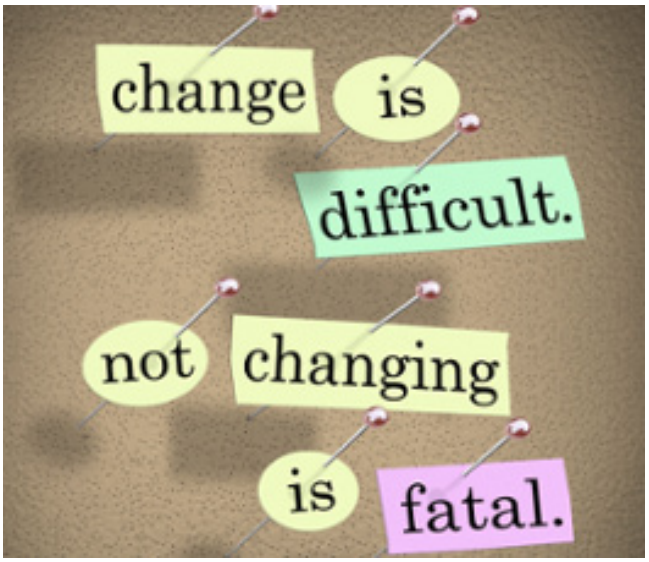
Let's take a look at what's really at the core of why organizations exist. By understanding what's at the core, we can then understand why studies still show a 60 – 70% failure rate for organizational change projects.

4-POINT ANTI-CHANGE REALITY CHECK

Organizations have evolved out of a need to organize - to bring people and processes together to ensure the delivery of quality, predictable, repeatable outcomes. That's why operations in organizations exist.

1. **Process:** It is important that processes that are repeatable and predicable become embedded in the organization.
2. **Structure:** After processes are in place, structures are then created to ensure that processes deliver conformity, quality, predictability and sustainability.
3. **People:** People are then expected to work within the constraints of the process and structure to, once again, ensure things are done the same way over and over again. In the staffing process, we hire people who want to work in this controlled, status quo work environment.
4. **Managers Who Are Not Change Managers but Maintenance Managers:** And if process, structure and people issues aren't enough, we put managers in charge of rolling out change projects who are not trained and developed in the complexities of successfully leading change management projects.

All these issues amount to layers of inertia that have been painstakingly built into the system. They do not go away by wishing and hoping.



3 Types of Leaders Managing the Change Process

Leadership Landscape: Beware of the External Horizon

Of the many facets of Change Management, this focuses on the leader, the environment, change and the process responses required for success.

- Some leaders make things happen – The Proactives
- Some leaders watch what happens – The Passives
- Some leaders wonder what happened? – The Reactives

Our first focus will be on the knowledge and skill sets required of the leader to manage the process elements of change coming from the outside. Leaders, think of it this way, no one else in the organization can do this but you.

Here's what we mean by Change Management: Change Management deals with change that comes at an organization from the external environment which presents a new paradigm. This is something that does not fall into business as usual (BAU). That external environment can be external to a division, while still internal to the organization. Other changes can come from outside the organization, for example, from industry, competition, regulation, government, etc.

1. SOME LEADERS MAKE THINGS HAPPEN – THE PROACTIVES

As a leader, you need to always have one eye focused on any external change factors that will impact your area. Your role is to anticipate them, prepare for them and then implement in response to them. For everyone in a leadership role, there is no excuse for being caught unprepared by these forces of change. Yet, this unpreparedness is all too common.

Acquire Knowledge, Get Connected and Stay Relevant

The knowledge required for Change Readiness is access to continual information regarding the external environment. Read everything you can. Attend conferences and stay networked with relevant external colleagues. You need to have a pulse on the total environment to stay current and relevant. Imagine, if you don't, who else will?

Optimize the Process of Change Management – Plan, Plan and Plan Some More

You can never over plan change. The devil is in the details. These key project management skills are critical for success:

- Problem Solving
- Planning
- Involve everyone necessary all the time

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3 Types of Leaders Managing the Change Process

Leadership Landscape: Beware of the External Horizon

- Make sure you have the most qualified people involved
- Create and continually manage constant communication from stakeholders down through every part of the organization
- Create an open environment
- Make deadlines
- Critical think and analyze risk for everything possible
- Be realistic – if you're not, everyone will figure it out!
- Be open to negative information – sugar coating the bad news will get you every time!
- Manage negative information and don't shoot the messenger!
- Avoid Groupthink – ALWAYS. This is harder than you think!
- Keep politics out of the process

2. SOME LEADERS WATCH WHAT HAPPENS – THE PASSIVES

Some leaders have an eye on the horizon, but either live in denial that the change will actually happen, or when the change does come, then they treat the deadline / timeframe as if it isn't a big issue.

Remember, nothing is a big issue, until it becomes a big issue. Some of us can remember Y2K and all the systems challenges involved as January 1, 2000 approached. January 1, 2000 was the date. It wasn't going anywhere. Yet, how many organizations, for years, delayed the necessary systems work that January 1, 2000 required. In businesses and governments, around the world, we all knew the date was approaching. The work did get done, but at what cost? When evaluated as a change project, the delay in implementing the change required last-minute, monumental resources globally to prepare for the date we all knew years before would come.

Leaders should have planned and prepared well in advance. By waiting too long, Y2K became an emergency of global proportion. Leaders, the post mortem on Y2K should not solely be assessed by thinking that it was a success because the project got done. It got done, but at what cost? And, could it have gone better?

3. SOME LEADERS WONDER WHAT HAPPENED – THE REACTIVES

Some people simply don't have their eye that far out on the horizon. How come? Often, leaders are too inwardly focused. Imagine the kind of risk an organization can be exposed to with this type of leadership? Just think about the Titanic! Nothing more need be said about that one! Any leader who is reactive to change should not be a leader. The words reactive and change cannot coexist!

Leaders – this one is on you! *Everyone else knows it, even if you don't!*

4 Employee Transition Phases During Change: Bringing People With You on the Change Journey

Leadership Landscape: Identifying & Understanding the Subtleties of Transition Leadership

The Internal People Side of Change Management: Dealing with how employees transition through the phases of the change trajectory.

Transition Leadership focuses on the people side of change management. Transition Leadership requires the leader to go far beyond the processes used in change management to the gray area dealing with employees' emotional reaction and response to change. Here the leader must fully understand the psychology of how change impacts the organization at the individual level.

TRANSITIONING THROUGH THE CHANGE TRAJECTORY

As leaders, you are often in the information exchange around the change event early in the process. You have had time to process the change, understand the implications and often arrive at a commitment to change before the rest of the organization may even be aware of the change. You need to appreciate that your journey may not be the same for the people you are leading. Leaders are known to speed through the change trajectory at a much faster pace than their subordinates. Leaders must recognize this potential lag time in both speed and acceptance of change, as change descends into the rest of the organization.

IDENTIFYING THE FOUR TRANSITION PHASES OF THE CHANGE TRAJECTORY AT THE EMPLOYEE LEVEL

1. ***Denial Phase and Employee Denying Behaviors***

- Avoid speaking about the change
- Appear unconcerned
- Focus on routine work only
- Focus on the past to present

2. ***Resisting Phase and Employee Resistance Behaviors***

- Struggle with the present and show frustration or anger
- Complain and blame others
- Become passive
- Become overwhelmed
- Over focus on the change

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3. ***Analyzing Phase and Employee Analyzing Behaviors***

- Experiment with new ideas
- Start thinking of future goals
- Begin to get work done
- Start to take initiative
- Take risks

4. ***Accepting Phase and Employee Acceptance Behaviors***

- Have a feeling of control
- Feel comfortable and relaxed
- Appreciate the journey
- Become future focused and proactive
- Feel a sense of accomplishments

BEWARE OF CHANGE MANAGEMENT ROADBLOCKS

The individual level is where Change Management can hit some major roadblocks when transition leadership is not incorporated at the same time. Leaders can wrongly assume that everyone 'is on the same page'. Often this couldn't be farther from reality. ***Remember, your transition leadership style must synch with where individuals are along the phases of the Change Trajectory.*** At the individual employee level, change becomes personal, emotional and highly subjective. Here is where Maslow's Needs Hierarchy needs to be understood. This is where transition leadership skills are soft, messy and confusing. There are no easily defined process checklists.

Leaders must know and understand the psychological and individual responses caused by change. Leaders must first have a profound understanding of themselves, and then be equally dedicated to understanding and accounting for transition management on an individual, group and divisional level within the organization.

LEADERS, IT'S TIME TO PUT ON YOUR PSYCHOLOGY HAT!

We know that change can cause many different reactions in an organization. Change equals uncertainty. Uncertainty activates the brain to perceive threat (the fight or flight reaction). As a leader, do whatever you can to reduce the risks associated with this perceived threat caused by the change event. We often hear that change will only happen if your people are robustly involved in and comfortable with the process. For change management to be efficient and effective, you must simultaneously lead with both a change management process and transition leadership perspective.

The DiSC Profile®: 3 Ways to Align People & the Change Process

Unleash the Power of People

The DiSC Profile is a very powerful tool used in organizations globally. The DiSC Profile assesses people for their underlying personality styles.

The social styles model presents a methodology for understanding the feedback from the DiSC Profile. The key elements that make up personality and motivators can be used to manage effective interpersonal relationships, manage people and understand how to plan for and manage change through people in any organization.

3 WAYS TO HELP SUCCESSFULLY ALIGN YOUR PEOPLE WITH THE CHANGE PROCESS:

1. The DiSC Profile, People, and Managing the Change Spectrum - Background

What is the DiSC Profile, and regarding change, what do the results tell us? The DiSC Profile helps us understand personality styles, both our own and others. In addition, the DiSC Profile provides the key to understanding the all-important motivators underlying each personality style. This helps us understand people on a much more profound, complex and personal level.

Using the DiSC Profile can be a very powerful tool to carefully assess people on key change competencies. Not all people embrace change with the same level of enthusiasm. A percentage of the population will dread the prospect of change, while others cynically deny that change will actually ever happen. We can use the results of the DiSC Profile to understand where employees fall across the change spectrum:

- Some people love change
- Some people tolerate change
- Some people deny, ignore or dislike change and may try to stop it

By understanding how the employee population will either positively or negatively impact the change process, we can predict the potential success or failure of change initiatives. We can anticipate the barriers to expect and, therefore, the hurdles to overcome during the change initiative. Ignore these issues, and you increase the probability of delay and / or change failure.

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The DiSC Profile®: 3 Ways to Align People & the Change Process

Unleash the Power of People

2. *The DiSC Profile, Predictors, and Planning the Change Journey*

The DiSC Profile is readily available and widely used globally, having been highly validated over the past 45 years. The profile results do not pass judgment on people. Instead, it looks at people for their natural personality inclinations and preferences. It also charts how people react under normal and stress situations. Understanding how a person may shift from normal to pressure or stress situations is a critically important data point. Why? The very nature of the change process causes emotional pressure or stress reactions in many people.

What information will the DiSC Profile provide? It will identify employee motivation issues around key change competencies necessary to move organizations into the unfamiliar and unchartered territory that is embedded in the change process. The DiSC Profile results can focus on change competencies such as critical thinking, problem solving, adaptability, and being proactive. At the task level, DiSC can also help predict and forecast who will flourish at familiar tasks and those that will embrace bold and imaginative tasks.

3. *Expectation Outcomes When Incorporating the DiSC Profile into your Change Planning Process*

When planning the change process, develop a richer, multidimensional picture of employees and how they view change. Remember the adage, "We love change, as long as someone else does it!" That simple statement speaks volumes. Regarding change, develop a deep understanding of each person's motivators, their limitations and their challenges. Then, plan accordingly.

Be realistic about what you can expect from each individual dealing with the change process. Just because some people will immediately embrace change doesn't mean everyone will. You can count on that! As a manager, you can move everyone to the same place on the change trajectory. However, you will need to provide different paths for different people.

‘Antichange’ Code: How to Recognize Employee Resistance to Change

Indicators are Everywhere

When we talk about resistance to change, it’s easy to say, “Organizations don’t change, people do, or don’t”. While true, change will only occur when change cascades down throughout every level of the organization.

We need to view organizational change simultaneously at two levels, macro and micro, in order to diagnose where the entire organization is on the change trajectory. It’s easy to see change at the macro level. It is normally displayed by senior-level leadership speaking in broad, strategic terms, focusing on the positive impact of the change initiative. It is, however, equally as important to focus change efforts at THE most granular level in the organization - each person. As managers, your job is to listen to how each employee is articulating, or not articulating, their issues around change.

We know there are four change levels. These levels closely parallel Maslow’s Needs Hierarchy. The change trajectory describes these stages of change acceptance as: denial; resistance; exploration; commitment. As your people go through these stages, how do you, as managers, recognize which stage each employee is in at any given time?

Recently, I asked the question, “What ‘anti-change’ statements have you heard?”

Here are some of the top contenders. See if you can identify the associated change stage reflected in these statements.

“If we just ignore it, maybe it will go away.”

“Just tell them what they want to hear.”

“I guarantee, nothing will change.”

“Let’s look at how we’ve done things in the past.”

“Why bother changing? It makes no difference anyway.”

“If it ain’t broke, don’t fix it’...but of course, how do you know?”

“Have you checked with corporate? I thought they had delayed implementation.”

“Oh dear, this is going to stop everything; the high performers are going to leave in mass.”

“Just go with the flow and don’t rock the boat.”

“There is no need to reinvent the wheel.”

“We’ll deal with any problems when and if they come up. After all, they might never be issues, then we’ll have done something for nothing.“

“Don’t worry, nothing ever changes around here.”

So listen for the clues inside your organization. They are everywhere. They will speak volumes about employee attitudes to the change process.

JOANNE FLYNN

In 2014, Joanne Flynn founded Phoenix Strategic Performance, a strategic human capital advisory consulting firm. Prior to this, since 1989, Joanne led the consulting practice of Phoenix Group International, an executive recruiting and human resource consulting firm, where her area of expertise was the global Financial Services industry. Joanne is now taking best practices from the human capital intensive financial services industry and adapting those best practices to startup and growth businesses. She is a thought leader in the areas of strategic organizational alignment, organizational agility, human capital gap analysis, leadership challenges for the new workplace and transformation leadership.

Previously, from 1980 – 1989, Joanne was Vice President of Global Learning & Development for Goldman Sachs, Inc. At Goldman Sachs, Joanne implemented programs to improve the organizational effectiveness of business units, most notably investment banking, equities, fixed income and operations.

From an independent vantage point, Joanne worked with organizations as they faced global growth and competitive challenges. She worked with her clients to be both externally focused and internally responsive. With her unique background, she aligns competitive business development efforts with related internal organizational leadership challenges. With the benefit of her career-long focus, Joanne contributes the unique insight of aligning strategy to internal organizational structure and process. She focuses on human capital relative to strategic initiatives, accelerated business growth, value creation and business development.

Joanne is experienced in all aspects of organizational development and training on a global level. Her consulting engagements have included the design and delivery of learning and development programs on the topics of strategic leadership, business development, client account management, strategic selling, management development, and executive coaching. Her consulting clients range from global investment banks to small private equity / venture capital firms and in people intensive industries.

Joanne holds a Master of Arts degree in Business Management from the University of Oklahoma. In addition, she holds a double degree major in History and German from the College of St. Elizabeth, as well as certificates from a variety of leading universities and professional training and development organizations.

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