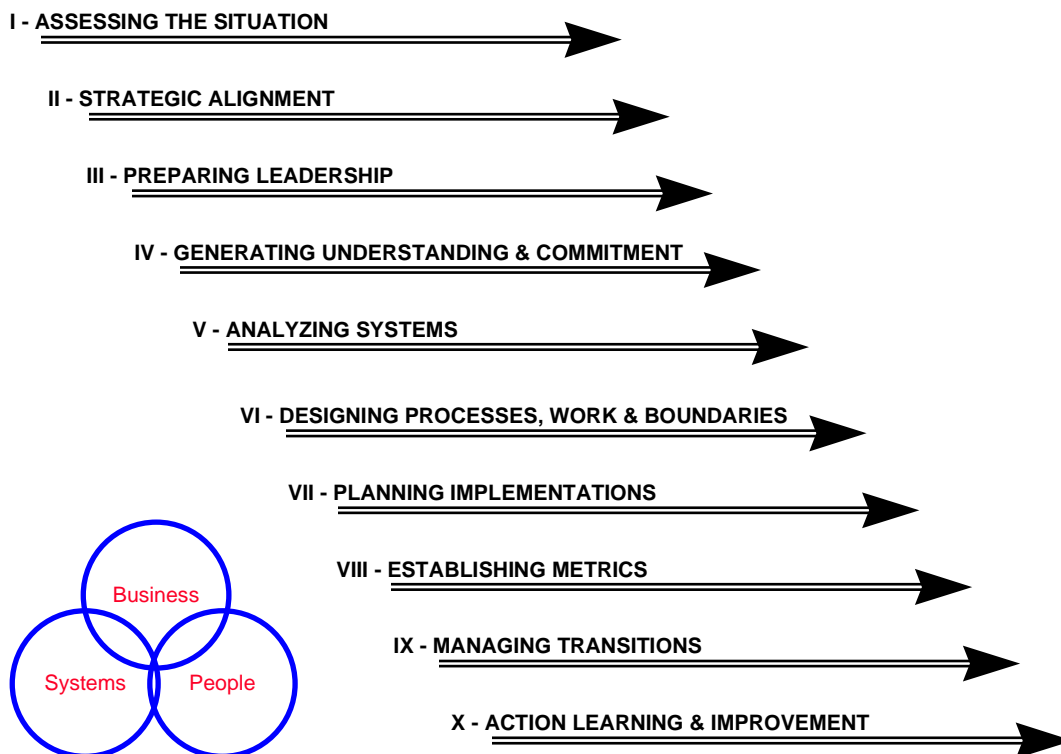


# Changing Organization

## *The Ten Tasks of Changing Organization*

**C**hanging is what organizations do, not what you do to an organization. Changing is the continuous process of an organization attempting to aligning itself with shifts in its market place and with the realities of its external financial, physical, social, political and technological environment. Is the organization's drive to synchronize purpose, process, structures, people, information, rewards and management systems within itself the with an often unsynchronized outside world it which lives in. Changing successfully is required for survival. Doing it more responsively and effectively than competitors is required to prosper. In today's world organizational change is ongoing work, not just a one-time "catch up" event. In today's dynamic environment and in tomorrow's even more complex world, being an agile change artist is as critical for success as being a reliable producer.

The work of changing organization can be thought of as ten major tasks, illustrated by the ten arrows below. The overlapping arrows signifies that although the tasks flow sequentially in concept, the work addressing any one Task will continue concurrently with the work associated with previous and subsequent Tasks as the change process unfolds.. In the early phases of a change effort, many activities can “feed two birds with one hand”, combining objectives from several Tasks in single actions. How collaborative or directive the change work is to be will set the stage for how these early tasks are best managed.



## ***The Fundamental Work of The Ten Tasks***

**T**he work of changing organization is illustrated by the bullets underneath each of the Ten Tasks below. This is sort of a checklist of best practice things to think through as you work your change effort. The relevance and how much attention you need to pay to each item will depend on the nature of your change situation and the magnitude of the changes involved. For example on the technical side of things, the more process boundaries that will be crossed, the larger the impact on collateral systems and the deeper the skills and knowledge change required, the more attention you will need to pay to the work of the Ten Tasks. On the organizational side of things, the greater the number of hierarchical boundaries crossed, the greater the number and diversity of functions involved and the deeper the cultural change required, the more attention you will need to pay to the work of the Ten Tasks. This is no *Cookbook* but it will help you keep your head straight. In first four Tasks listed below, the five items highlighted by italicized and bold-faced type are particularly important to address carefully and thoughtfully no matter what order of magnitude of change you face.

You are invited to work your way through the following lists, thinking about the relevance and meaning of the items in relation to your specific change situation. As we said earlier, the Tasks generally begin sequentially but the work of each continues, overlapping the work of the following Tasks. As a change unfolds, you may recycle through a number of the Tasks as you open up change in different parts of the work system, or as you drill down into the details where the "rubber meets the road".

During a change effort, many activities can be addressed in a way that will combine objectives from a number of different Tasks. This is particularly true during the first four Tasks, where you can "feed of a number of birds with one hand", depending on how collaborative the change work is approached. If you are interested in the beliefs about changing human organization that underpin what is presented below, you are invited to explore the material on pages XX through XX before jumping into the work of the Tasks.

### **TASK I - ASSESSING THE SITUATION**

- Understand the organization's environment (business, technical, corporate, community, etc.).
- Assess the organization's present and historical performance.
- Examine the state of the organization's major processes:
  - Within themselves.
  - In relation to each other.
  - Versus the key drivers in the environment.
- Examine the human systems practices (decision, communication, participation, learning, authority allocation, etc.).
- Identify problems and gaps.
- Identify the potential changes and impacts of the changes needed to fix the problems and close the gaps.
- Develop an appreciation of the potential benefits and costs of change.
- Understand the organization's predominant "learning style".
- Assess the organization's readiness and past experience with change:
  - Dissatisfaction with the status quo.
  - Vision of a more desirable future.

- Ideas about first steps.
- Perceived costs (financial and human) of changing.
- Trust in leadership.
- Feelings related to past change.
- Extent of knowledge about the situation and needs for change.
- ***Prepare a compelling business-based case for change.***

### **TASK II - DEVELOPING STRATEGIC ALIGNMENT**

- Develop a dialogue about the state of the business and the major processes.
- Develop a dialogue about the case for change.
- Learn about alternatives through:
  - Training.
  - Reading.
  - Conferences.
  - Presentations and discussions.
  - Site visits.
- ***Develop a compelling vision for the future.***
- Develop a strategy and proposed approach to changing.
- Implement an infrastructure to manage the process.
- Develop a high level Action Plan.
- Develop a communication strategy.

### **TASK III - PREPARING LEADERSHIP**

- ***Involve all potential leaders in exploring “local visions” which support the overall vision for the future.***
- Deepen the appreciation of the potential benefits and costs of change.
- Define the behaviors for “walking the talk”.
- Provide useful education.
- Provide support for understanding and developing future roles:
  - Education in potential new roles and role requirements.
  - Career planning.
  - Facilitation for managing personal change.
- Clearly define the leadership rewards and consequences.
- Identify and secure the required external support and resources for change.
- Prepare internal change and development support resources.

### **TASK IV - GENERATING UNDERSTANDING AND COMMITMENT**

- Establish an “Umbrella Group” for the change process.
- ***Communicate the state of the system, the case for change, a compelling vision for the future and the change strategy to the work force.***
- Educate people to the possibilities and the leadership’s vision for the future.
- ***Develop a dialogue about the need and selected approach to change.***
- Develop a dialogue to further deepen the appreciation of the potential benefits and costs of change.
- Establish needed “safety nets”.

- Establish processes to enhance “business literacy” in the general work force and share business information.
- Establish processes to enhance the work force’s strategic understanding (thinking globally, acting locally).
- Develop a process for continuing dialogue about the change process, activities, information, implications and decisions.
- Develop feedback process for leaders related to “walking the talk”.
- Develop a more detailed Action Plan.

**TASK V - UNDERSTANDING YOUR TECHNICAL AND HUMAN SYSTEMS**

- Understand the core, value adding transformation process of the organization:
  - Focus on the required outcomes of what people do rather than on their tasks.
  - Define what variances must be kept in control for successful operations.
  - Identify what information, work and technologies are required to manage the process and control the variances.
- Understand the impact of present organizational structures, boundaries and processes:
  - Explore the enhancing or detracting effects relative to controlling the technical processes, dealing with the environment and adapting to the future.
  - Explore the enhancing or detracting effects on the quality of work life of the members.
- Analyze support systems requirements:
  - Explore how well support systems are oriented toward supporting the core transformation processes and what changes are required.

**TASK VI - DESIGNING PROCESSES, WORK AND BOUNDARIES: *Keep focused on joint optimization of business needs, enhanced work system performance and quality of work life!***

- Keep a strong focus on increasing effectiveness and flexibility in controlling processes and dealing with the environment, not just on designing structure, “having teams” or implementing a flashy initiative .
- Assure that the “end product” requirements and the sources of variance during the transformation process are well understood.
- Locate boundaries in ways that enhance sharing information, process variance control, contingency management and learning.
- Assure that the output requirements of work units are formalized and well understood by the people, that their impact on the end product is clear and that the work units will have access to their customers for feedback.
- Assure that the people, work units and organizations have or can acquire the repertoire of skills and abilities they needed to manage the process within their boundaries, handle contingencies and deal effectively with their environment.
- Assure that people who need resources to carry out responsibilities will have access and authority to use them.

**TASK VII - PLANNING IMPLEMENTATIONS**

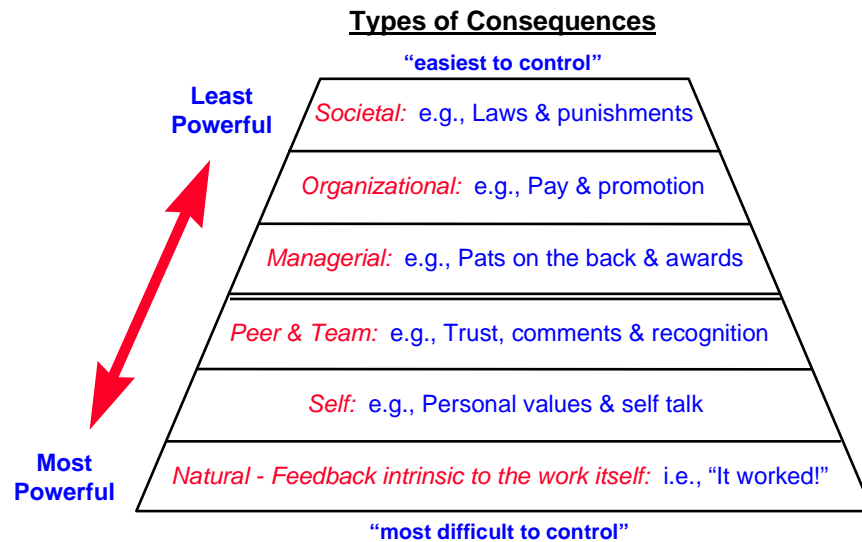
- Validate your design against your:
  - Mission, Core Values and Vision.
  - Stakeholders' wants and expectations.
  - Ability to control your variances, especially the Key Variances.
  - Quality of Work Life Values.
- Identify and list any additional design issues to be resolved, further design work to be accomplished and implementation processes that need to be thought through and planned (e.g.: Staffing strategy, process and timetable. Work Unit internal design completion. Internal interface process clarification. Etc.).
- Identify rough timelines for beginning and completion of the issue resolution, design completion and transition planning items on the list.
- Develop and establish a process for overall management of transition planning, approval of recommendations and reconciliation of the individual plans to make sure that they are synchronized and aligned.
- Identify individuals or task teams who will address the issues to be resolved, design completion to be accomplished and transition planning items on the list. The Individuals and task teams are to:
  - (1) Clarify the item or need.
  - (2) Develop an obtain approval of their approach.
  - (3) Accomplish their responsibilities.
  - (4) Coordinate the impact of proposed resolutions, designs or plans with stakeholders or other task teams that will be affected.
  - (5) Obtain approvals, authorization and buy-in as needed to proceed with implementation and transition.

**TASK VIII - ESTABLISHING METRICS:**

*Questions to address in defining a meaningful performance assessment system and establishing metrics.*

- What is the purpose of the assessment system, specifically:
  - Where will the information go and who will use it?
  - How is it to be used and for what purposes?
- What system and individual behaviors is it intended to reinforce?
- What will be the scope of the assessment system?
- What levels of organizational output will it be tied to?
- What categories of performance will it address?
- What will be the weighting among the categories?
- What metrics will realistically illustrate the categories?
- How will data be collected and validated? How will it be analyzed?
- How will the information be formatted, fed back and evaluated?
- How much of the process will be standard for the overall organization and how much will be ad hoc to the individual work units?
- What will be the linkage to the reward system?

*Something to think about as you develop your system of metrics and review your design.*



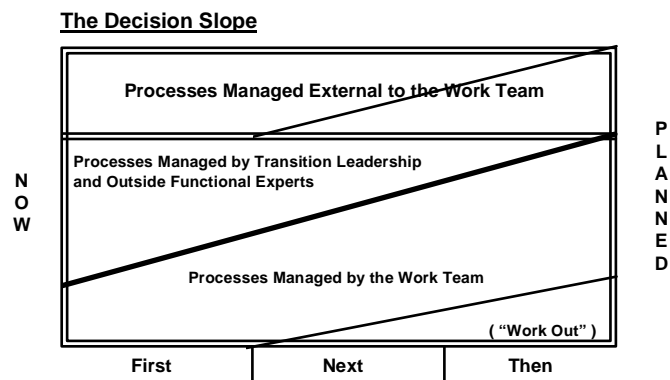
*The impact of a metric depends on the meaning to the people, and the meaning is in the eye of the beholder!*

- ⇒ *Societal:* Looking at the metric, do the people primarily see how close they come to breaking the rules?
- ⇒ *Organizational:* Looking at the metric, do the people primarily see where they fall compared to their "competition" for the rewards.
- ⇒ *Managerial:* Looking at the metric, do the people primarily see what management values and how close they come to pleasing the manager?
- ⇒ *Peer and Team:* Looking at the metric, do the people primarily see feedback on how well they are living up to the needs, norms and values of their reference group or people they care about?
- ⇒ *Self:* Looking at the metric, do the people primarily see feedback about how well they are living up to their own ideals, and how much progress they are making toward goals that are personally important to them.
- ⇒ *Natural:* Looking at the metric, do the people primarily see information about the status of the process, the state of the product and the effect of their actions related to their intentions, values and objectives.

### **TASK IX - MANAGING TRANSITIONS**

- Maintain Constancy of Purpose and Positive Strategic Intent:
  - Assure the changes objective stay strategy driven.
  - Assure your strategic intent is well understood and remains well aligned with the environment.
  - Assure the strategy remains future oriented.
  - Assure the strategy continues to reflect a *joint* optimization of business, operating and human values.
  - Assure the environment, purpose, values, processes and product are well

- understood both “globally” and “locally”.
  - Assure that *all* people affected *really* understand the nature and the implications of the change.
- Keep Focused on Work System Performance:
  - Keep a strong focus on increasing effectiveness and flexibility in controlling processes and dealing with the environment, not just on designing structure, “having teams” or implementing a flashy initiative .
  - Keep the boundaries located in ways that enhance sharing information, process management and learning.
  - Assure that people, work units and organizations have the repertoire of *all* the abilities needed to manage their processes, deal with the environment and handle contingencies.
  - Assure that people who need resources to carry out responsibilities have access and authority to use them.
- Clearly define work unit skills, knowledge and leadership requirements and plan the distribution among the roles.
- Set up “decision slopes” with each work unit, and plan the requirements and pacing of the transitions.



- Plan and support the development of individual abilities.

***TASK X - ORGANIZATIONAL LEARNING and CONTINUOUS PROCESS***

***IMPROVEMENT:*** *Installing effective processes and practices for organizational learning and applying that learning for accomplishment, alignment, integration, continuous improvement, adapting, mastery and renewal:*

- Equally value and use information and interpretations from a diversity of sources both internal and external to your organization.
- Have infrastructure, processes and practices for moving information across your organization’s boundaries.
- Habitually disseminate and integrate new information into your organization’s collective knowledge base and practices.
- Practice collective interpretation of information, fostering mutual learning and taking advantage of diverse perspectives for optimum analysis, understanding and follow-up.
- Exploit opportunities for innovation and change.
- Have the local authority to act with responsibility on valid new information.

- Measure results and capture lessons learned.
- Regularly debrief operations or incidents openly and candidly to discover new information and guide future actions.
- Openly and candidly discuss present realities, your intentions, your capabilities and any gaps that exist.
- Use information to understand and improve rather than assign blame and apply punishment.

*The importance of TASK X is underscored by the following from a set of eleven best practice principles for work systems design, development and improvement. This set of principles was first published in 1976. It was revisited and revalidated in 1987 and again in 1993 by a professional association of senior high performance work system design and development practitioners:*

- ◇ The beginning of work system design is the start of implementation, and the start of implementation is the beginning of redesign. With the process of design comes deeper understanding and the beginning of change. With implementation comes evaluation, learning and drivers for continuing adaptation. This is essential for effective continuous improvement.
- ◇ The approach to changing should fit the cultural objectives of the change. If you aim at participative culture that is capable of continuous learning and improvement, the approach must be a participative learning approach.
- ◇ Adaptive continuous improvement can not be the function of special experts. It is a fundamental responsibility of competent self regulation.

*In other words, TASK X begins at TASK I. The process for accomplishing the Ten Tasks should be guided by the thoughtful application of principles and practices for effective organizational learning, adaptation, continuous improvement, mastery and renewal.*

## ***Beliefs, Attitudes and Values about Changing Organization***

**W**hat anyone actually does in a change situation will be governed by the characteristics of the specific situation itself. However, there are some fundamental principles that underpin the more successful movements toward more and more high performance organization.

### ***Implementation begins with the first step***

Implementation has already started when you first do anything about sponsoring an organizational change. Implementation is not just a project step following design, not a problem you address when you are ready to “roll out” your changes. It is much more than “selling” changes to the targets and looking for buy-in. It is an integral part of everything you do in organizational change work. You need to keep this clearly in mind as you plan your work and work your plan. The world is a stage and the audience begins reacting to the play with the first crack of the curtain, and there are no dress rehearsals real life.

### ***People change because they choose to change***

No one really knows how to control change in complex human systems, or in individual human beings for that matter. We are not very good at intentionally and systematically changing other people’s beliefs, practices or habits, particularly en masse in an organizational setting. At a fundamental level, we all know that the phrase “managed change” is as much an oxymoron as the phrase “low cost housing” is in our present times. The pages of history are filled with chronicles of change efforts and for every one there is a history of clever people who chose to resist in a multitude of ways. Change in organizations is complex, but still boils down to individuals deciding to change. So, starting from the position that people only change if they choose to certainly simplifies the matter for all concerned. The approach represented in *The Ten Tasks of Change* honors change as a personal choice, maintaining that informed and collaborative planning is the most successful enabler.

### ***Change works like chaos..... "What did you say?"***

That's kind of a scary thought, "change is chaos." "We always figured that was true, and it's our worst nightmare!" However, there is an emerging understanding of the relevance of the mathematical propositions of “Chaos Theory” to change in human organization. In the mathematics of chaos, the initial conditions have a strong influence the direction the evolution takes. In running the mathematics, some natural attractions appear that seem to influence consistencies amid the randomness. In the mathematical world, one requisite for bringing form out of chaos is feeding the information from each run into the next. Margaret Wheatley is a valued consultant to organizations and a thoughtful voice in discussing the relevance of chaos theory to success in human organization. In her research, she has discovered some interesting parallels exhibited by organizations successfully navigating today’s most chaotic environments.

- ◇ Shared vision (initial conditions?).
- ◇ Relationship (natural attractions?).
- ◇ Sharing information and mutual learning (feeding the information from one cycle into the operations of the next?).

The next four principles relate directly to her findings.

***A vision shared is not the same thin thing as a shared vision***

There is a significant difference between an top management group hammering out a vision statement and then communicating it to an organization, and the people of an organization discovering common ground in relation to their collective future. But, of course we all knew that. Didn't we?

***"When the going gets tough, the tough get....." together with a couple of other tough guys and huddle it up in the storm!***

In the uncertainties of a change process, people don't hang on to concepts, they hang on to people. They don't just look for safe harbor in the storm, they look for the comfort of other boats safe in a harbor. When change puts its heaviest strain on the fiber of our relationships, the relationships that are the strongest ropes will determine the direction the organization is pulled. When the path ahead is uncertain, people don't look for somebody to follow, they look for leaders they trust and will follow them almost anywhere. Keep in touch (no pun intended).

- ◇ *TELL ME -- I may hear, I may remember.*
- ◇ *SHOW ME -- I may understand better.*
- ◇ *INVOLVE ME -- I will take ownership, I will add value and be committed."*

***Successful change is an informed open process***

Communicate, communicate, communicate! When you are sick and tired of saying something, say it again. When you are sure you have all the information you need, ask the question again. When you are sure you have reached a mutual understanding, discuss it again. When you think you have planned enough interaction into your process, double the plan. Remember that *communication* is not only telling, it is a two way street, it includes listening!

***Change is collaborative action learning***

While we may not be particularly good at changing other people, we all know the old axiom, "Plan your work and work your plan." We know how to coordination with other people in our work, learning from our successes and failures, and how to re-plan as conditions dictate. We also know how to support human development and the development of effective organizational processes. As difficult as all of this might be, we know how to do it.

So, rather than face the mind boggling prospect of trying to manage change, let's start out with the mindset of *planning and developing organization*. Let's plan our work and work our plan! Let's get everybody clear about our common dissatisfactions with the status quo. Let's do our homework and get a sharper common vision of a more desirable future. Let's agree on the first steps of our journey together, set up our safety nets and put our best foot forward. Let's pay attention to what happens and then sit down and figure out what we learned about ourselves, our environment and our plan. Let's adjust our ideas about how to get where we are going and apply what we discovered to our next step of the journey. Then, let's go around again, and again, and again. Successful change in organization is first and last a matter of collaborative action learning. Nothing more and certainly nothing less.

***Change is an opportunity for discovery and growth***

Contrary to some definitions, communication is *not* involvement. Involvement is active participation in decisions that affect one's life, communication is only the exchange of

information. That by itself stands alone as an important principle to remember. However, few change situations in large organization provide an opportunity for total involvement, so some people will always be confronted with forced change at all stages of the process. People confronted with forced change are reminded of their own helplessness in the face of processes beyond their control. It's like being a fine boxer receiving an unexpected stunning blow. It is not a good feeling, and people need time to reach their own accommodation with this reality of their humanity. Particularly in the early phases of organizational change, don't expect to avoid the uncomfortable realities of human reaction by simply "selling" the benefits from your point of view, or trying to manipulate the perception of the benefits from the target's point of view. And for heaven's sake, stop calling it "resistance".

There are a number of useful models that propose to explain the process of human accommodation to forced change. The models differ in content but agree on the main message that accommodation is not simply a logical process and often takes people time to work through it. Discovering opportunities and benefits in proposed change is ultimately the means for rekindling a person's vitality. Good information and the opportunity to learn is the fuel for the fire. There are always four learning and growth opportunities in a change situation, whether they are wanted or not:

- ◇ The need to educate oneself and learn through doing.
- ◇ To need to collaboratively analyze, design and planning things that affect ones personal life.
- ◇ The need to test and practice the ways of the "new system" in the way one goes about its definition and installation.
- ◇ The need to deal with the stresses of such things as expansion, cutback, selection, retraining, managing performance or directly facing the rewards and consequences of meeting or not living up to responsibilities and commitments.

These are not just tasks for special experts to manage and resolve. Dealing with such challenges provides an opportunity for the members of the organization to learn and mature in the reality of the new system. Don't over shield them from the chance to step up to the opportunity even if it is not welcomed at first.

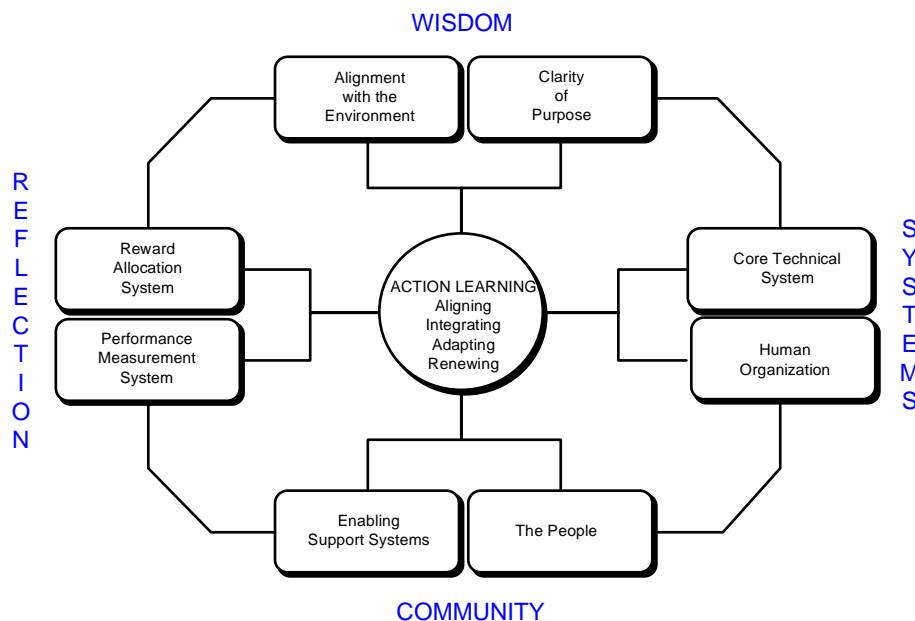
### ***Joint optimization business, process and human requirements***

When I was young, I remember watching movies and coming to the conclusion that you could "make it" in Hollywood if you were either really good looking, could really act, or could sing and dance like gangbusters. Today, it seems you need to have all three attributes just to get into the casting interviews. It's the same in today's business environment. You used to be able to focus your attention on strict supervision of processes and *inspecting* your way to consistency of product at the expense of human and material costs. Or, you used to be able to push your processes to maximum volume at the cost of quality and human frustration. Or, you used to be able to provide exceptional quality through increasing human rewards, inflating prices and diminishing quantity. Not no more! Every system and work design decision needs to be embedded with a joint focus on delivering the goods at competitive costs, controlling the processes to control consistency, and providing the quality of work life required to attract the energy and commitment of the workforce. There are exceptions, but they are getting fewer and farther between.

**An organization is a "work system"**

The behaviors of the processes and the people in a work system are held in place by a “network” of structures, relationships, demands and consequences that make up that system. For lasting individual process or human behavioral change, that network must change. Because of the complex and often unknown character of that network, a disciplined and systematic approach to addressing the whole system is important for successful organization planning and transition. Since “the whole system” is such an abstract thought in itself, a valid model of a work system is extremely useful for thinking through what must be accomplished and how to go about change. “The Wheel”, shown in the figure below, provides a working model of the elements of a work system. A “best practice” approach begins by addressing the Environment and Purpose elements at the top of The Wheel and proceeds clockwise in a well-managed succession of analysis, design, planning and transition efforts.

*An Organization Is a Work System*



**Starting "in the North", take a stroll around the Wheel for a snapshot of the character of today's high performing organization**

- ◇ They are well aligned with their business, human and physical environments and are strongly focused on their customer and the required qualities of their products and services. They are attuned to the future.
- ◇ They are focussed on their purpose, yet are adaptable in how they achieve it. They are able to maintain their alignment and strong focus as environment conditions and demands change and evolve, able to leapfrog their present reality and generate creative futures.
- ◇ They understand their processes and the effects of its variances (things that go wrong) on the qualities of their products. They know how to track and control their processes effectively, and how to quickly make needed adjustments and improvements.

- ◇ They have a process oriented, streamlined structure that facilitates achieving their mission in the most effective and economical way practical.
- ◇ Their technologies, structures and processes provide the quality of work life needed to actively engage their members with the work in a way that fosters commitment to the vision, the task, the organization and the critical success factors of the mission.
- ◇ They have "response-able" people, in an empowered work structure that enables them to better control "variance" at the source, deal with contingencies and manage their transactions with the environment in ways that successfully accomplish the mission and meet the critical requirements of the organization's stakeholders.
- ◇ They have support systems focussed on the needs of the people for managing the work system's core value adding transformation process, not a lot of tails wagging dogs.
- ◇ They have a system for measuring performance that provides useful information directly to the people accomplishing the work, rather than only to planners and controllers.
- ◇ They have a reward system that reinforces the objectives in each of the other elements of the wheel:
  - Alignment with the environment.
  - Meeting business objectives.
  - Technical process control.
  - Human process effectiveness.
  - Personal behavior, learning and growth.
  - Cost efficient and effective support.
  - Quality of performance information.
  - Adaptive organizational learning and effective knowledge management.
- ◇ They have a learning and knowledge management system that fosters alignment, consistent performance, integration, process improvement and creative renewal. If any thing is going to put their old products out of business, it will be their own new products.