



From Compliance to Commitment

The heart and science of thriving transformations.



Co-Creation
PARTNERS IN TRANSFORMATION



IT'S A FAMILIAR PATTERN: an organization launches a transformation with town halls, posters and slogans, a platoon of consultants, millions of dollars and a "vision." Some departments and functions make quick changes – a few might even deliver business impact in the short term – but many employees are exhausted by the changes, and some are fearful. The transformation office is under-equipped to deal with the resistance; leaders begin discussions in hushed tones, asking "where do we go from here?"

It's human nature to resist change, but few leaders understand the underlying reasons for that resistance or how to overcome it. Some try brute force – a compliance approach with a heavy focus on doing – institutionalizing new tools, processes and buzzwords and mechanically applying change management practices. But compliance and conformity do not lead to thriving, sustainable transformation. They certainly don't make people more creative, innovative or engaged.

ONCE PEOPLE SEE FEAR AS A CUE FOR LEARNING AND GROWTH, NEW POSSIBILITIES EMERGE FOR THEMSELVES AND THE ORGANIZATION.

In our experience across sectors and industries, we have found that all successful transformations share one feature: a deep personal commitment from a critical mass of managers and frontline employees. Leaders play essential roles in fostering this commitment.

People need to know not just how they must change but where they're headed and why, and they need to feel supported. Fear of change is unavoidable, and it can lead to waste and rigidity. The key isn't eliminating fear (that's practically impossible) but helping people respond to it in new ways. Once people see fear as a cue for learning and growth, new possibilities emerge for themselves and the organization. By focusing more on the opportunities and less on obstacles, they can all pull in the same direction and become more enthusiastic and creative and reach their common goals faster.

In this brief article, we discuss **the biggest challenges in organizational transformation**, offer **insights into the five core beliefs held by leaders of thriving transformations**, and explain **how leaders can use these insights to make lasting performance improvements** in their organizations.

Transformation is as essential – and difficult – as ever

Organizations of all kinds are scrambling to meet the continually rising demands of customers and fend off competitors, including fast-moving digital disruptors with deep pockets and top talent. Ironically, however, many organizations take a compliance-heavy, mechanistic approach to persuade hundreds or even thousands of people to become more creative risk-takers who show up at work every day ready for problem-solving and continuous improvement.

Standard approaches and rigid implementation schedules can help generate momentum and make a transformation more tangible, understandable and repeatable. Likewise, a top-down push from senior leaders can help overcome initial resistance, at least in the short run.

But behavior- or tool-based approaches often rely more on compliance than a desire to excel or innovate. People often change the way they work (for a short

while) because they're simply trying to follow new rules and are afraid to be seen as outliers, not because they've become truly more innovative, collaborative or willing to take risks.

That's why so many transformations fade. As external events put new pressures on the organization, priorities shift. Leaders (as well as consultants and coaches) move on. Teams who use the new ways of working may not have the authority, influence or change management skills to sustain the transformation. Naysayers,

including skeptical frontline employees and middle managers, may disengage and go back to business as usual. Some may push back against rigid approaches that are difficult, time-consuming or don't seem to make sense. As management unveils yet another set of strategic initiatives, skeptics believe that the new ways of working are just another "flavor of the month."

Some transformations do thrive and deliver lasting competitive advantages and significant value for stakeholders while inspiring and engaging employees

across functions and business units. While every organization is different, we believe that thriving transformations share some common characteristics.

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Five core beliefs are critical to achieving thriving transformations

Based on our years of experience serving a wide range of public and private institutions, we believe that the deep and lasting commitments required for sustainable transformations are built on five core beliefs held by leaders:

1. A more exciting future is possible.

A "burning platform" may get people to jump at first, but eventually the urgency subsides. We've found that in sustainable or "thriving" transformations, people are more excited about what they're moving towards and why than what they want to avoid. They're inspired to create a new future together, and they feel connected to and willing to invest in this future. They understand the purpose of the transformation and what it means for them personally. And conveying this compelling purpose starts with leaders themselves believing that a more exciting and desirable future is possible.

How leaders communicate this purpose is crucial. Our brains are hard-wired to understand, remember

and connect emotionally with stories. We're also more open to change when we feel heard – when our colleagues and leaders are open, curious and want to know what we think. In the most successful organizations, leaders engage employees with stories and ask questions rather than simply issuing orders.

Leaders of thriving transformations master the craft of storytelling and pay particular attention to building an authentic connection with the organization.

2. Human beings have amazing capacity for choice and learning.

In the most successful organizations, people believe they have choices and can make a difference – that they aren't cogs in a machine. During a transformation,

rather than feeling like victims or focusing only on downsides, they see possibilities and feel accountable and eager to learn. Leaders can help build attitudes like those by ensuring the transformation works explicitly on the mindsets underlying current practices. In a thriving transformation, training and work experiences help people improve their self-awareness and choose new ways to think and act.

Transformations, by their nature, push people out of their comfort zones and can spark fear. Fear can catalyze individual and organizational transformation, but only if people have the skills to face it constructively. In thriving transformations, organizations invest time and effort to help people understand and face fears that arise in the transformation. This investment makes sense only if leaders believe that employees have the capacity for choice and deep learning.

Leaders of thriving transformations understand that the essence of transformation is not learning a set of tools to address a specific issue but creating a learning organization that has the problem-solving agility to solve any business issue. Such organizations lean into business challenges as growth opportunities rather than pull back when faced with adversity.

3. The “why” of new behaviors is as important as the “what” and “how.”

In their haste to introduce new tools and practices, many organizations train people how to use them but not why. This approach may work for some people, but many others will resist learning new skills. In fact, “dictatorial” training can turn neutral people into detractors and erode trust in the trainers, whether they are colleagues or external consultants. In thriving transformations, organizations help people understand the essence of new tools and processes and discover their own personal reasons to change. To make this shift, many organizations must rethink how they construct learning experiences in the classroom and in the context of day-to-day work.

For example, many organizations undergoing lean management transformations train people in root-

cause problem-solving. Some transformation teams jump right into best practices and tools such as A3 problem sheets and “the five whys” without helping trainees understand why these tools are valuable or adopt the right mindsets to use them effectively. This mechanical approach to training communicates that problem-solving is a rigid and cumbersome process.

More impactful learning sessions use dialogue, games, simulations, and other activities to connect people to bigger and more exciting ideas, namely that problem-solving is a creative and human process that can help us overcome our biases and other mental errors. As they gain this deeper understanding, employees begin to experiment with the new problem-solving approaches, more readily address issues and barriers in their day-to-day work, and learn how to problem solve more effectively over time. This virtuous cycle starts with a clear and energizing “why.”

TRAINING IS VERY DIFFERENT FROM FACILITATION. IN TRAINING, EXPERTS CONVEY KNOWLEDGE TO NOVICES. IN FACILITATION, PEOPLE LEARN AND MAKE CHOICES FOR THEMSELVES. MOST TRAINING RELIES ON POWERPOINT; FACILITATION RELIES ON EXPERIENCES. FACILITATION IS A KEY TO FOSTERING COMMITMENT IN TRANSFORMATIONS.

4. Humans are fundamentally social beings.

Throughout a transformation, leaders must consider a wide range of environmental and social factors. What they do is far more important than what they say, for example. To inspire commitment, they need to walk the talk, be present to see and learn about the issues that people experience day to day, and keep track of how people feel on the front line. Leaders who want other people to change their behavior must change their own.

And, in any large organization, reporting lines tell only part of the leadership story. People who do not hold senior roles but are well-respected and well-connected – the informal leaders – have enormous influence on their colleagues. In a thriving transformation, the organization embraces these influencers, whether they're supporters or detractors, and makes them part of the transformation process. As they become committed to the transformation, so will more of their co-workers.

Symbolic actions can also seem subtle at first but have major cultural impacts. For instance, if the transformation is meant to create a culture of risk-taking and learning and continuous improvement, senior leaders can celebrate small failures that produce valuable new insights. Savvy transformational leaders use these kinds of important social signals to shape the new culture.

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5. Trust is essential to creating commitment.

Thriving transformations depend on trust among people across the organization – in particular, employees must come to trust the intentions and capabilities of the transformation team. These teams, which include transformation leaders, change agents, consultants and facilitators, can be structured and deployed in many ways, but they all need to build trust-based relationships across the organization to become influential without authority. In our experience, many organizations select people for transformation teams based on specific technical skills such as in lean, automation, agile or design thinking. While these skills are important, team members must also forge strong personal connections and inspire people to commit to the transformation.

To build trust and exercise influence, transformation teams may need to learn or reinforce a wide range of new or underused skills:

- A deep understanding of the essence of technical tools and practices and the rationales for using them
- Deep, structured problem-solving and analytical skills to role-model new behaviors and improve business impact during the transformation
- Facilitation skills to create interactive learning experiences, especially in tools and practices
- Personal accountability and a learning orientation to role-model new behaviors
- Emotional intelligence to build deep relationships and trust
- Ability to engage in difficult conversations without harming relationships
- Skills in presentation and “presence” to master body language and other non-verbal cues
- Coaching skills to guide people at every level of the organization, regardless of technical mastery of a topic.

This list is by no means exhaustive, but it does encompass many of the forgotten skills that can make internal transformation or consulting teams more effective.

From flagging to thriving : A case study

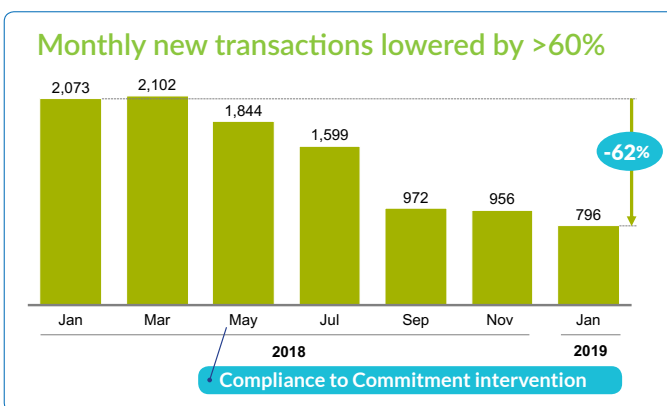
A leading U.S. financial services company launched an organization-wide transformation to create a more agile, customer-centric organization using lean management practices. While new practices had been introduced to a large number of teams, hidden resistance persisted. As an example, some back office teams were slowly discovering that certain complex, exception-based transactions could be eliminated or shifted to customer-facing teams for quicker resolution. One team, for instance, was eventually given a target to reduce the incidence of complex loan reviews from almost 2,100 per month to 300 or less within 18 months. Reaching this target meant the team would be downsized as the remaining reviews shifted to customer-facing teams. Most members would need to move into new roles requiring new skills.

On the surface, the back-office team members looked like they were taking on the mandate and expected behaviors – they created a nice A3, conducted regular huddles and problem-solving meetings. But there was very little progress coming out of all this activity. After four months they were far short of the target, hovering at 1800 exceptions per month. They had many stated reasons why they couldn't make further reductions, and why the customer teams were not ready to take over. Employee surveys and conversations revealed a lot of fear. In the presence of this uncertainty and fear, the team had been avoiding uncomfortable conversations – going through the motions of problem solving without making real progress towards goals.

IN THE PRESENCE OF THIS UNCERTAINTY AND FEAR, THE TEAM HAD BEEN AVOIDING UNCOMFORTABLE CONVERSATIONS – GOING THROUGH THE MOTIONS OF PROBLEM SOLVING WITHOUT MAKING REAL PROGRESS TOWARDS GOALS.

Senior leaders and the transformation team, currently on a learning journey themselves about how to shift into a learning mode to make better use of lean practices, recognized the need for an intervention. To start, the entire back-office team attended a workshop where they could safely and openly share their deep fears and concerns without being judged. Facilitators guided them to stop seeing themselves as victims and instead think about how they could control their own destinies, such as by acquiring new skills, taking the time to observe and ask questions about work in other areas, and working on strategic projects. In this new nurturing team environment, a majority of the team shifted their mindsets from reactive to creative. Problem solving started to happen at a deeper and more committed

level. Within a year, they had moved much closer to their stretch objectives, as shown in the exhibit.



With continued support from skilled internal coaches, the team is now thriving instead of being in survival mode, with open communications and visual management. Despite the inevitability of their job positions being eliminated, the team's problem-solving is now seen as a best practice by the rest of the organization.

In short, by taking the time to reflect on the possibility of a more exciting future and engaging constructively with fear to step into choice and learning, the team dramatically improved its performance and gained a sense of pride and accomplishment – without new tools or incentives. With their new mindsets, they are now just a few hundred reviews away from achieving their aggressive goal, and members are transitioning to new roles – and spreading the spirit of continuous improvement.

This is an example of what a thriving transformation looks like at the team level – where new, exciting possibilities pull people forward even when the current situation is a bit scary. Imagine the possibilities for an organization when teams all across an organization shift from compliance to commitment in similar ways.

Core beliefs that lead to thriving transformations

CORE LEADERSHIP BELIEFS	WHY IT'S IMPORTANT	ACTIONS THAT FLOW FROM THIS BELIEF
A MORE EXCITING FUTURE IS POSSIBLE	<p>A “burning platform” can motivate people at first, but its impact tends to fade – and many people will become immune to the next burning platform.</p> <p>People tend to be more inspired by what they’re “moving towards” than what they need to avoid.</p>	<ul style="list-style-type: none"> • Create a compelling “moving towards” story • Build storytelling skills in the organization • Cascade the story in engaging ways to build excitement and energy • Honing of skills to become an effective story teller
HUMAN BEINGS HAVE AN AMAZING CAPACITY FOR CHOICE AND LEARNING	<p>People commit to transformations only when they believe they can choose to be part of the journey – even in the face of fear.</p>	<ul style="list-style-type: none"> • Build personal accountability and learning mindsets • Persuade leaders and the transformation team to role-model the new skills and mindsets • Build problem-solving agility rather than focus on a specific tool
THE “WHY” OF NEW BEHAVIORS IS AS IMPORTANT AS THE “WHAT” AND “HOW”	<p>Technical know-how is not enough to generate commitment, especially if new tools and practices push people out of their comfort zones.</p> <p>A deep understanding of the rationale for tools and practices will help people get excited to practice and learn.</p>	<ul style="list-style-type: none"> • Define the journey and design training to address the reasons people need to change the behavior and master new tools • Make sure the transformation team deeply understands the why and can explain it
HUMANS ARE FUNDAMENTALLY SOCIAL BEINGS	<p>To lower fear and resistance and enable culture shifts, formal and informal leaders must signal that the transformation is important and that everyone is in it together.</p> <p>Leaders’ role-modeling and symbolic actions are more powerful than general communications.</p>	<ul style="list-style-type: none"> • Send leaders on their own transformation journey to role-model what they expect of others • More constructive use of the energy of “troublemakers” by turning them into change agents and supporters through listening and dialogue • Communicate with symbolic actions and other powerful signals
TRUST IS ESSENTIAL TO CREATING COMMITMENT	<p>In addition to technical proficiency, transformation teams need soft skills to build trust and inspire people over the long term.</p>	<ul style="list-style-type: none"> • Identify and update the skills required to serve on transformation teams • Build soft and technical skills in transformation teams. Soft skills include building trust and being able to challenge assumptions and shift mindsets in the organization • Provide transformation leaders with coaching and other support to help them continue to practice and learn essential skills

How to keep your transformation thriving

Many thriving transformations begin with design decisions informed by the five core beliefs. It is possible to create a commitment-focused transformation without sacrificing speed, repeatability or scalability. But if your transformation is already well underway, you can reflect on its successes and risks and consider ways to revitalize the effort where it may be stuck or flagging.

A more exciting future is possible

Reflect and assess: Are people across the organization truly excited about the transformation journey? Can they easily explain why the journey is necessary and their role in making it successful? Do they find their roles meaningful and energizing?

Ideas to consider: If you believe organizational excitement is low, consider the following:

- Working with senior leaders and transformation leaders to clarify and reinforce their transformation story
- Working with specific functions or departments to connect their own transformation stories to the larger organizational story
- Helping leaders connect functional and team goals with larger organizational goals in ways that build excitement and lower fear
- Coaching leaders to:
 - Understand that their role is not just to achieve short-term results but rather to inspire employees to deliver on the organization's deeper purpose of serving customers
 - Build and enhance authentic connections through storytelling and presence.

Human beings have an amazing capacity for choice and learning

Reflect and assess: How are people talking about the transformation, especially when it's challenging? Do they own their decisions or talk about "us vs. them" and blame others for shortfalls? Are they curious and open, or do they think they know exactly what will happen?

Ideas to consider: If people need to improve their mindsets and be more accountable for their decisions, consider the following:

- Workshops to help transformation teams, senior leaders and frontline teams build these skills
- Including accountability skill-building in the transformation rollout or sustainability model
- Coaching leaders to develop and demonstrate their personal accountability
- Conducting 360-degree assessments of key leaders to make them more aware of their own limiting mindsets
- Convening small group sessions to help select teams shift from limited mindsets into more powerful ones.

The "why" of new behaviors is as important as the "what" or "how"

Reflect and assess: Leaders should track employees' understanding and feelings about new tools and practices. Do they understand the why and essence of each one? Are they excited about using and practicing these tools? Or are they just going through the motions because they've been asked to do so?

Ideas to consider: If you see gaps in this area, consider the following:

- Rethinking or redesigning training modules and plans to create more powerful and exciting learning experiences for employees
- Exploring and experimenting with reconfiguring the transformation process to create deeper understanding and excitement about the tools and practices (i.e., is the sequence and timing of learning experiences optimal for creating commitment?)
- Coaching trainers to make sessions more interactive and inspiring.

Humans are fundamentally social beings

Reflect and assess: Is the organizational environment supporting or slowing the transformation journey? Are leaders role-modeling the behaviors they expect to see in others, or is their implicit message that the transformation is for other people? Are leaders ignoring or constructively engaging “troublemakers” and “gossipers”? Does transformation-related communication include symbolic signals and other powerful emotional and social cues or is the communication more mechanical?

Ideas to consider: If the organization is lagging in cultural enablers, social networks and viral communication, consider the following:

- Exploring and experimenting with configuring the transformation journey to better engage formal and informal leaders, such as by creating or reinforcing an explicit leadership journey and engaging informal leaders as change agents and extensions of the transformation team
- Designing or refining a communications plan to include more social and emotional messages such as role-modeling and symbolic actions
- Doing more to publicize and celebrate the successes, big and small, across the business
- Coaching leaders to help them master both the technical and human dimensions of the transformation journey.

Trust is essential to creating commitments

Reflect and assess: How much trust do people have in the organization as a whole? In particular, how much trust has the transformation team built with the organization? Do people see the team as inspiring and reliable leaders and change agents or as mere technical experts? Are people asking for the team’s support or avoiding them? Is the team seen as adding strategic value or as a cost center?

Ideas to try: If your transformation team needs more influence, consider the following:

- Clarifying and enumerating the full skill set required to be an effective transformation team member, including soft skills

- Designing communications to share success stories of impact created by the transformation team and the teams they support
- Establishing capability-building programs or pilots to:
 - Improve facilitation skills to help teams create powerful learning experiences
 - Help the team understand the essence and rationale behind the new tools and practices, including how they relate to the business
 - Improve softer skills such as building trust, influencing without authority and having difficult conversations
 - Help teams improve their presence, including non-verbal communication, to forge deeper human connections.
- Launching jointly owned projects or problem-solving efforts with more experienced coaches to generate deeper business value at a faster pace
- Coaching transformation team leaders in new skills and shifting their own mindsets, especially in challenging situations.

Interventions should be tailored to each organization’s context. They could include individual coaching, facilitated interactive group learning sessions, and collaborative learning and excitement-building events, such as visits to organizations that have kept their transformations thriving over many years.

Many successful organizations launch projects to achieve specific business outcomes during the transition, such as problem-solving efforts and group working or design sessions.

Others modify program designs to address structural issues in the transformation, refreshing the transformation model itself, training content and/or the organization design of the transformation team.

Transformation leaders can use a wide array of methods to keep people energized about a journey and create business impact. We suggest starting with a few experiments or pilots, adopting the approaches that work best and expanding from there.

Next steps

Successful long-term transformation programs are built on organization-wide enthusiasm and commitment – not just compliance. Even if your program is off to a promising start, and especially if passion for the transformation might be waning at the front line, now is the time to think about how to keep it fresh and get more people excited and committed to it.

Redesigning everything isn't necessary. Organizations can make quick, tangible progress by building on existing infrastructure and the strengths of a program. A few smart interventions to build capabilities, achieve specific business outcomes or modify the structure of the program can make a big difference.

Who we are

Founded in 2010, Co-Creation Partners is a consulting firm specialized in enabling organizations to transform their way of working to generate extraordinary and sustainable business performance. We believe that organizations transform when their people do; so we use a human centered approach to create a culture of learning, problem solving and high performance. We have a proven track record in facilitating the creation of a high-performance learning organization within 18 months. Our flagship clients continue to have year on year performance improvements 5+ years after completing their engagements with us. We have a deep sense of ownership and pride in our client organizations' transformations. Our benchmark of success is when we make ourselves redundant.

CONTACT US

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