QUEEN'S UNIVERSITY IRC

Leading Organizational Transformation

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What is Organizational Transformation?

Organizational transformation is a fundamental, radical, ground breaking paradigm shift, such as re-imagining an organization's structure and culture. It involves integrated, synergistic, aligned, system-wide deliverables for which all employees and leaders are responsible, individually and collectively.

For example, it is not about creating a new service, but reconceptualizing how the organization interacts with its customers; it's not about continuous improvement, but groundbreaking innovation based on a radially different foundation and belief system. Organizational Transformation is about dreaming big, not tinkering with the status quo; shattering outdated beliefs and systems, not trying to adapt them to new realities. It's like conquering the wild west or setting foot on a new planet.

Why Do Organizations Transform?

In the not so distant past, organizations often waited too long before transforming, only taking action when the pain of <u>not</u> changing became *greater* than the pain <u>of</u> changing. For instance, in the case of Blockbuster, their inability to transform proved fatal and they went bankrupt.

In the past, transformation often meant a series of poorly aligned and integrated change initiatives, implemented willy-nilly over various time frames… much like quilt squares patched together.

Nowadays, effective transformation requires alignment, synergy and integration, where components reinforce each other to deliver the vision and the strategic plan's system-wide outcomes. We are now playing chess… instead of dominoes.

Organizational Transformation is powered by:
- External pressures *pushing* organizations to adapt to a constantly shifting landscape, and
- Internal aspirations *pulling* organizations towards their vision for a sustainable & successful future.

External Pressures compel organizations to change for inclusion (staying in the game), and relevance (keeping with the times). Pressures include disruptive technology, fierce competitiveness, the innovation imperative, abrupt regulatory changes, shifting political

landscapes, etc. The US military invented the [VUCA](https://www.vuca-world.org/)[1] acronym (Volatile, Uncertain, Complex, Ambiguous), to describe the new warfare realities. It eventually became the descriptor for our global, transient, shape shifting world. Here's the model:[2]
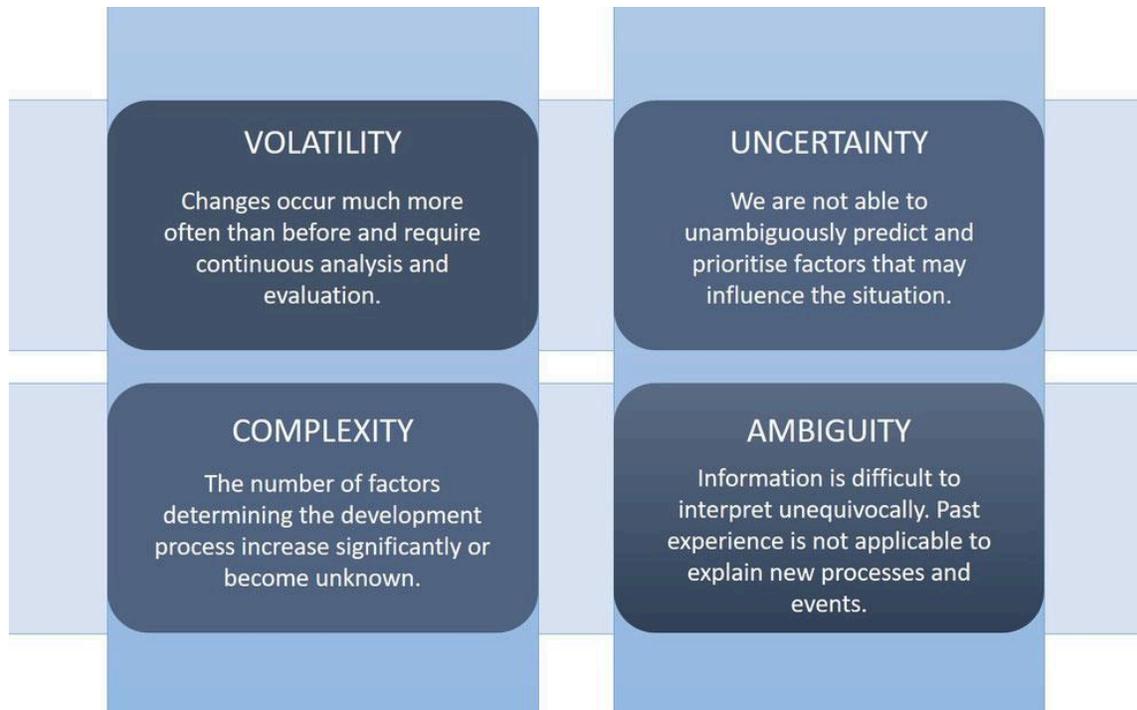
This [video](https://www.youtube.com/watch?v=Z_FHRsQfDV4)[3] describes the VUCA world and its implications for organizational leadership.

Internal Aspirations are contained in the strategic vision and plan. These *pull* organizations towards their best possible future to ensure success, sustainability, and ongoing relevance.

Strategic plans have considerably evolved in the last 20 years: from private documents crafted by executives at 'out of office retreats', and scantily communicated to stakeholders, strategic plans are now devised leveraging industry/sector intelligence, best practices, internal and external stakeholder groups' input, emerging trends, etc.

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[1] *VUCA World - Leadership Skills & Strategies*. VUCA. (2021, June 10). Retrieved July 12, 2021, from https://www.vuca-world.org/
[2] VUCA Environment. Global Consulting - SEED Advisory. (n.d.). Retrieved July 12, 2021, from https://www.seedhk.com/vuca/.
[3] World Economic Forum. (2016, October 11). Volatile Uncertain Complex Ambiguous - These are the skills leaders need in a VUCA world. YouTube. Retrieved July 12, 2021, from https://www.youtube.com/watch?v=Z_FHRsQfDV4.

Here is example from the Regional Municipality of York 2019-2023 Strategic Plan, configured around four system-wide deliverables: *Economic Vitality, Healthy Communities, Sustainable Development and Good Government.*[4]

Finding Balance

Balancing external drivers and internal aspirations is not an easy task, but a necessary one, as:
- Organizations mostly driven by external pressures (to the detriment of internal aspirations), feel unstable, at the mercy of shifting winds, vulnerable to storms raging outside their door;

[4] York Region 2019 to 2023 Strategic Plan: From Vision to Results. (n.d.). Retrieved July 12, 2021, from https://www.york.ca/wps/wcm/connect/yorkpublic/e9612765-7323-40bf-904c-715cd0c21d6b/18453_CorporateStrategicPlan-Approved.pdf?MOD=AJPERES.

- Organizations mostly driven by internal aspirations (to the detriment of rapidly evolving external realities) risk offering products and services poorly suited to today's expectations, risking irrelevance; and
- The optimal leadership stance can be described as balanced, vigilant, strategic, clear, determined, and resilient.

COVID-19: A Transformation Tsunami!

The onset of COVID-19 accelerated the transformation imperative to warp speed. In the process, it gifted us with clarity:
- Revealing where our systems perform well, and where improvement is required. Either way, we win!
- Elevating the level of strategic and systems thinking across organizations… at all hierarchical levels.
- Weaving innovation into everyday life, and through the fabric of the organization.
- Removing barriers to partnership, not only within organizations, but across large systems needing to collaborate with each other, such as government levels, industry types, communities, sectors, etc.
- Building *collective* confidence and competence to reinforce determination, will and energy.
- Strengthening courage, resilience… and reducing fear.

As a result of the pandemic, Organizational Transformation as a concept, went through a significant, if not radical makeover, driven by the following shifts:

- **Reframing for Performance:** From a series of dreaded, poorly connected, and imposed events…to an evolving, inventive, adaptive way of life!

  A good example is the grocery stores' system to keep customers and employees safe. Implemented progressively as new information, feedback and research became available, the approach is iterative and continuously improving. It's about taking a series of progressive steps which eventually turn into an integrated system. Over time, the perfect modus operandi (MO) is revealed.

  Here are some sample steps taken by grocery stores: disinfecting carts; providing hand sanitizer, free masks & plastic bags; offering special shopping hours for seniors; mapping aisle directions to foster one-way traffic; installing Plexiglas barriers to protect cashiers.

- **Dreaming Big and Wild**: Instead settling for tame continuous improvement (CI), transformation is now based on radical reconceptualization, reinvention and redesign… the ticket to lasting relevance and sustainability.

- **Tapping into the Collective Brain**: From almost exclusively leveraging executives, OT migrated to tapping into the knowledge, know how, wisdom and creativity of a multitude of stakeholders, working together to create a new reality.

- **Doing Things <u>WITH</u>, not <u>TO</u> People:** Instead of a small, select team coming up with a finished plan to be implemented by foot soldiers, stakeholders now have a voice that matters; their role is much greater than execution; they are involved through all the stages: from conceptualization, to development, planning and implementation.

- **Bottom Line:** OT is in constant evolution, if not revolution…morphing and shifting to integrate, align, synergize and reinforce organizational systems.

COVID-19: Transformation Shifts and Implications

As the vaccination process accelerates, people are wondering what will emerge as the critical success factors for the post-pandemic world at the individual, organizational, community and national levels. To better anticipate the future, organizations are starting to explore scenarios, plan next steps, and shape of path forward.

Paradigm Shift
A profound paradigm shift has emerged: in order to achieve the agility, speed and responsiveness required by the VUCA world, organizations must transform from '*machines* to *organisms*'.[5]

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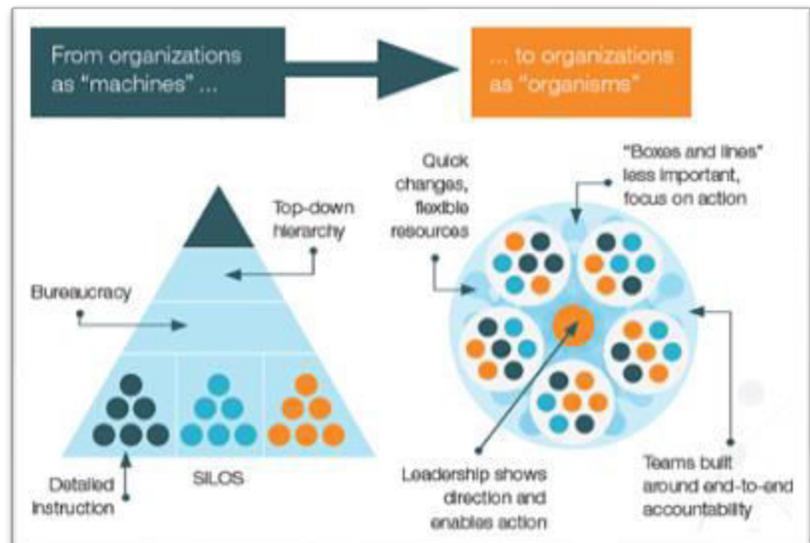
[5] Image: Aghina, W., Ahlback, K., Smet, A. D., Lackey, G., Lurie, M., Murarka, M., & Handscomb, C. (2021, June 4). The five trademarks of agile organizations. McKinsey & Company. Retrieved July 19, 2021, from https://www.mckinsey.com/business-functions/organization/our-insights/the-five-trademarks-of-agile-organizations.

In other words, the mechanistic systems of the past are too slow and rigid for the future. It's like comparing commercial radio to Amazon's Alexa, or encyclopedia searching to IBM Watson!

The brain shift impacts leadership, structures, organizational design and much more. Instead of:
- *'Providing detailed instructions'*, leadership now *'shows direction and enables action'*
- *'Top-down hierarchies & silos'*, teams are built around *'end to end accountability'*
- *'Slow moving bureaucracies'*, organizations value *'quick changes, flexible resources'*
- *'Boxes and lines'*, organizations seek to *'focus on action.'*

Implications

Shifting paradigms from *Machine* to *Brain*, is akin to installing artificial intelligence (AI) in all aspects of the organization, so it can, not only react and respond appropriately, but anticipate the future, prevent mishaps and immediately course correct when something goes wrong.

The seminal question becomes: "How to create agile organizations who can quickly and efficiently reconfigure strategy, structure, processes, people, and technology toward value-creating and value-protecting opportunities? Agile organizations thus add *velocity* and *adaptability* to *stability*, creating a critical source of competitive advantage in volatile, uncertain, complex, and ambiguous (VUCA) conditions."[6]

To illustrate, here are two personal examples:
- **Kia:** My new hybrid car, a Niro, is wired to protect people in its care, and acts quickly when perceiving a threat, such as a vehicle following too closely, or acting erratically. In such circumstances, it will make loud warning noises, prompting drivers to act. In more extreme cases, such as an imminent accident, if drivers don't react immediately, it will make the decision to brake or switch lanes *by itself*, thus behaving like a protective parent. I must say, my sense of safety has been greatly improved.

- **Amazon:** Amazon's 'brain' is second to none... Recently, I was looking for a book linked to Netflix's 2021 hit movie: *The Ying Yan Master*.[7] I searched the site and discovered, much to my delight, that the novel's French version would soon be available in North America. Noticing my French name, Amazon probed my interest, and I confirmed my acceptance... Amazon then promised to get in touch when the book was ready for delivery. In the meantime, they sent a notebook!

[6] Salo, O. (2020, February 4). How to create an agile organization. McKinsey & Company. Retrieved July 19, 2021, from https://www.mckinsey.com/business-functions/organization/our-insights/how-to-create-an-agile-organization
[7] Wikimedia Foundation. (2021, July 3). The Yin-Yang Master: Dream of Eternity. Wikipedia. https://en.wikipedia.org/wiki/The_Yin-Yang_Master:_Dream_of_Eternity.

Transformation Now

The New MO

These days, Organizational Transformation is about a way of imagining the future, involving multiple stakeholder groups, tapping into their collective knowledge, know how, wisdom and creativity to ensure the organization's survival, sustainability and success! This means:

- System, *not* Silo thinking
- *Boldly* re-imagining and implementing the future
- Constantly innovating on all *fronts* and at all *levels*: incremental, breakthrough, transformational
- Turning the organization's vision into a tangible reality through *transform-action… together!*

Stakeholder Representation, Engagement and Mobilization

Bottom line, it is about doing things <u>with</u> people, instead of imposing things <u>to</u> them. Engagement, involvement, and participation have become *the* new way forward, instead of perfect plans drafted in secret by executives, committees, or task forces.

Building Capacity for Transformation

Two seminal questions currently dominate the transformation landscape:

- How to quickly and effectively transform organizations so they can be 'future fit and future resilient'?
- Which capabilities will be required to succeed in the future? This means building capacity at the individual, team, and organizational levels.

Capabilities for the Post-Pandemic World

Here are the five most important capabilities to emerge as a result of the pandemic so far:[8]

1. **Interactive Technology:** Increased use & applications
2. **Extensive Collaboration:** Cross-functional, system wide, and between systems & sectors
3. **Widespread Innovation:** Incremental, breakthrough, transformational at all levels: individual, organizational & community
4. **System & Strategic Thinking:** Enhanced capacity…for more people
5. **Leadership:** powerful enough to build a strong and sustainable future where the *entire* talent pool is leveraged regardless of gender, race, age, ethnicity, physical ability etc.

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[8] This list was compiled by Françoise Morissette based on participant feedback from a series of Queen's IRC webinars that ran in the summer of 2020.

Integrated Process

Organizational Transformation requires an integrated, sequential approach, such as Professor John Kotter's 8 steps process[9] organized in three phases:
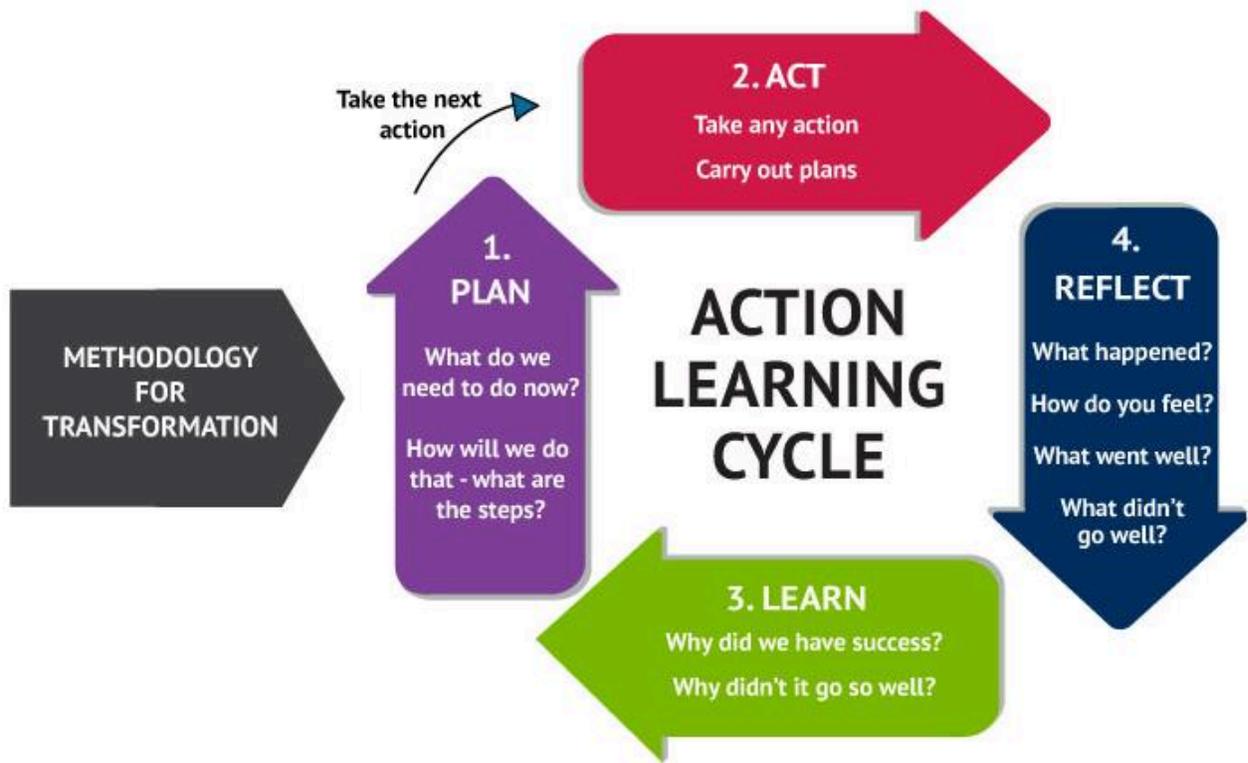

Action Learning Methodology

Stunningly, COVID-19 remodelled organizational transformation, turning it into an organic, collective, and permanent reality based on Action Learning.[10]

Below is a representation.[11] The pandemic introduced it to millions of Canadians, and we learned to use it. Let's keep it going!

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[9] Kotter, J. (2021, May 7). *The 8-Step Process for Leading Change: Dr. John Kotter*. Kotter. Retrieved July 19, 2021, from https://www.kotterinc.com/8-steps-process-for-leading-change/.

[10] World Institute for Action Learning. (n.d.). What is Action Learning? Retrieved July 19, 2021, from https://wial.org/action-learning/.

[11] Kemp, E. (2019, July 18). *The Action Learning Cycle: How to learn consciously by taking action*. Mobenzi blog. Retrieved July 12, 2021, from https://blog.mobenzi.com/2019/07/18/the-action-learning-cycle-how-to-learn-consciously-by-taking-action/. *The Action Learning Cycle was* Adapted from Taylor, J., Marais, D. and Kaplan, A. (1997), Action Learning for Development: use your experience to improve effectiveness: The Barefoot Collective (2011), The Barefoot Guide 2 – Learning Practices in Organisations and Social Change, p.161.

Kemp, E. (2019, July 18). *The Action Learning Cycle: How to learn consciously by taking action.* Mobenzi blog.

The Action Learning Cycle was Adapted from Taylor, J., Marais, D. and Kaplan, A. (1997), Action Learning for Development: use your experience to improve effectiveness: The Barefoot Collective (2011), The Barefoot Guide 2 – Learning Practices in Organisations and Social Change, p.161.

Conclusion

As a result, OT has become a way of life, instead of a series of disruptive, occasional events. It is here to stay. For all of us, it means mastering:

- Working organically and collectively… with less trauma.
- 'Rolling with the punches' through constant change, without feeling excessive anxiety…much like fire fighters, police officers and paramedics do.
- Shifting mindsets and beliefs towards inclusion: the best solutions emerge from mobilizing collective knowledge and wisdom, ensuring innovation, renewal, sustainability and success.

To learn more about OT, please check out the Queen's IRC Organizational Transformation program.

Uplifting Thoughts Regarding Transformation

"Life shrinks or expands in proportion of one's courage."
- Anais Nin

"The voyage of discovery is not in seeking new landscapes… but in having new eyes."
- Marcel Proust

"Try again. Fail again. Fail better."
- Samuel Beckett

"The marvelous richness of human experience would lose something of rewarding joy, if there were no limitations to overcome. The hilltop hour would not be half so wonderful if there were no dark valleys to traverse."
- Helen Keller

About the Author

Françoise Morissette, M.Ed., P.C.C., has been a facilitator at Queen's IRC since 1994, and was made a Fellow in 2006. She played a key role in developing and implementing Queen's IRC's Organizational Development curriculum and teaches on the *Organizational Transformation* and *Coaching Skills* programs.

Françoise is a major contributor to the OD field, with an emphasis on leadership and systems transformation, helping individuals, organizations and communities enhance their leadership capacity for performance and sustainability. In 2016, she certified as a LEADS facilitator. With HR expert Amal Henein, CHRP, Françoise wrote *Made in Canada Leadership*, the product of a large research project on leadership excellence and development. The book also explores ways to refine and leverage our national leadership brand in the global world. She is a much in demand speaker in both official languages.

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