![CIPD - Championing better work and working lives]

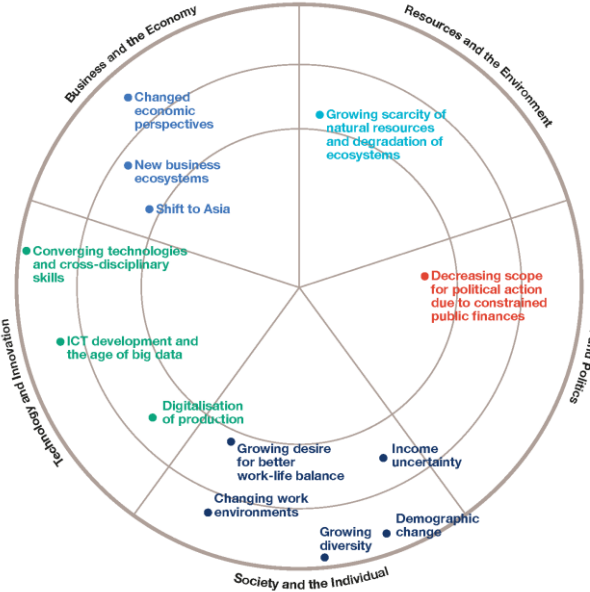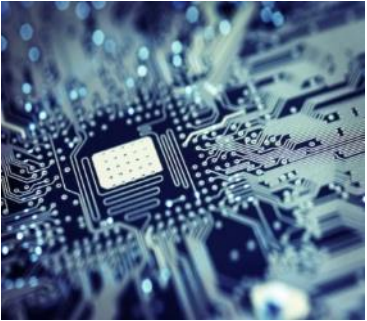# Building organisational resilience to thrive during change

Linda Holbeche
Co-Director
The Holbeche Partnership

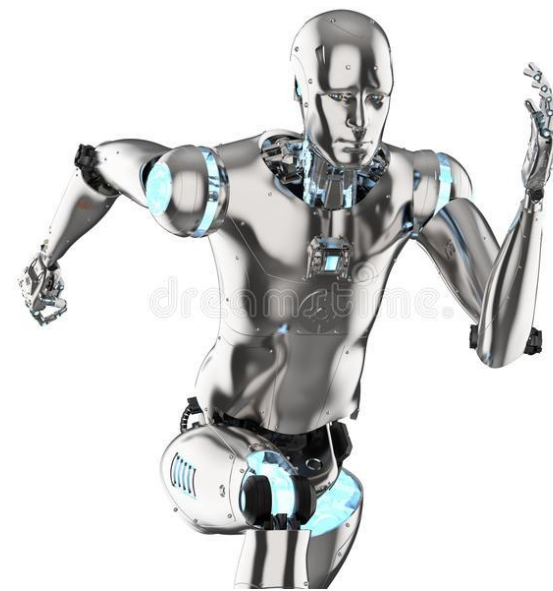# Building organisational resilience to thrive during change

Linda Holbeche PhD

A challenging backdrop

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Disruptive innovations and technology

- Today - **Assisted** intelligence – automation –increased demand for STEM skills to build new tech ecosystems

- Emerging - **Augmented** intelligence – fundamental change in nature of work – humans and machines collaborate to make decisions. Uniquely human traits e.g. emotional intelligence, innovation, persuasion, creativity become more valuable

- Tomorrow - **Autonomous** intelligence – adaptive intelligent systems take over decision-making. The future of humans at work is questioned.

McKinsey, *Smartening up with AI*, 2017

Three tier labour market

- Top – 'Employees' market
  - High skill, high demand
  - Seek work-life balance, autonomy, progressive work environment

- Middle
  - Squeezed white collar & professionals
  - Financial & legal being automated; digital & AI

- Bottom – 'Employers' market
  - Low skilled
  - Ferocious competition for insecure low paid jobs
 - Intergenerational tension

Organisational agility …

"…an organization's capacity to respond, adapt quickly and thrive in the changing environment."

('*The Agile Organization. 2015.* Linda Holbeche)

Key Concepts

Organisation-wide   Customer-intensive   Strategic and operational   Rapid

Proactive   Transient competitive advantages   Innovative   Experimental

Iterative   Efficient *and* effective   Integrated   Team work   Intelligent

Collaborative   Project work   Self-organised   Empowerment
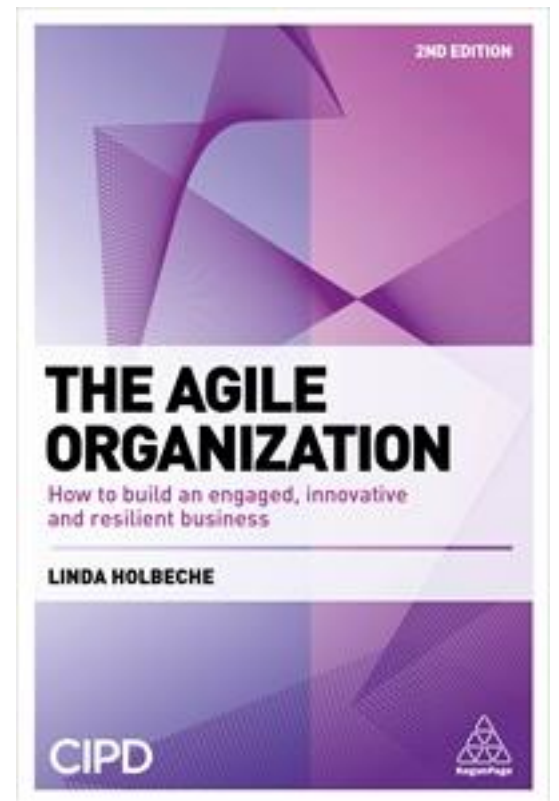
Typical barriers

- Structural

- Cultural

- Mindsets and use of power

- Short-termism

- Neglecting the human aspects of change

- An unbalanced employment relationship

- Failure to plan for, and develop, the key skills people need for agility

- Change-weariness

Organisational resilience

'Resilience' is about robustness of systems. The capacity for resisting, absorbing and responding, even reinventing if required, in response to fast and/or disruptive change that cannot be avoided.

Key concepts

- Anticipation
- Involvement
- Shared purpose
- Renewal
- Learning
- Leveraging knowledge
- Risk management
- Networks
- Employee engagement and wellbeing

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# A resiliently agile organisation has:

- A change-able organisational culture and structure that facilitates change within the context of the situation that it faces

- staff who are willing and able to give of their best - in a sustainable way

- a learning mindset in the mainstream business and underlying lean and agile processes and routines to drive innovation.

Resiliently agile ways of working...

Ethical practices; agile thinking and routines

Innovation, change and agile delivery

Strategising

Implementing

CULTURE

People

Linking
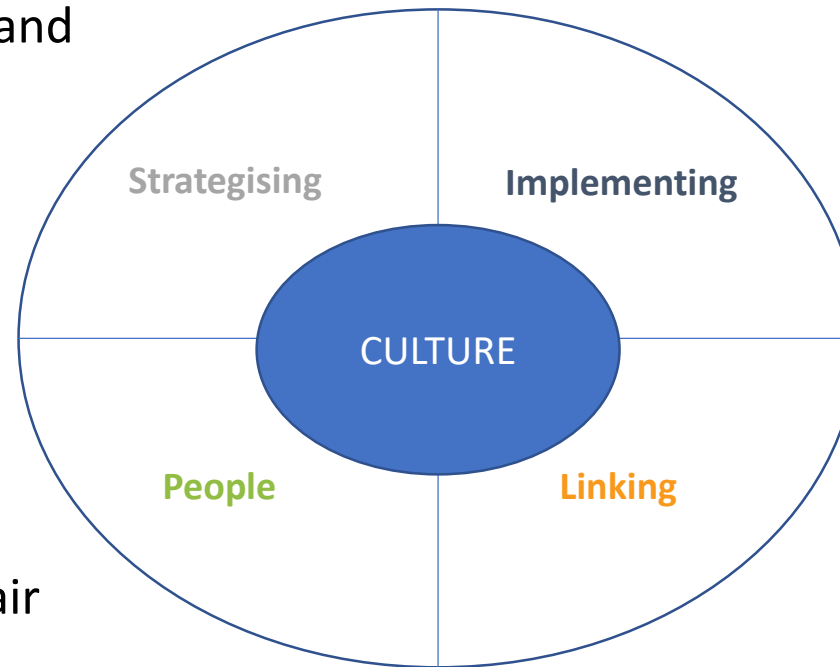
Mutual and fair employment relationship

Collaborative capabilities

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In other words...

- Change is viewed as dynamic stability
- Flexibility of response, structures, systems, roles, mindsets
- Strong connection through (customer) purpose and values
- Active collaboration
- Boundaryless
- Knowledge-rich and innovative
- Continuous improvement and shared learning
- Employee engagement (great place to work, engaging of employees)
- Diversity
- Balance of control and empowerment, appropriate checks and balances
- Bureaucracy kept to the minimum

The crucial role of managers and leaders

- Setting the tone and sponsorship

- Moving from reacting to *pro*acting

- Moving from command and control to direction and capability-building

- Supporting the team, creating the environment where people can better connect and decide to work, learn and change together

- Also enabling diversity and employee well-being

- Deliberately developing organisational learning

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Striking the right balance - loose versus tight control
(Karl Weick, 1976)

○ **Loose Control**
- Casual
- Improvisation

○ **Tight Control**
- Seriousness
- Punctuality

**Loose** ←———————————————→ **Tight**

Cultivate new leaders to avoid a leadership gap

- Work with top management to ensure sign-up and clarity about purpose and ambition: a clear, unambiguous vision for what the organization is looking to achieve and why

- Increase own and others' ability to deal with complexity – expose self and others to new thinking and practice – scenario planning, visits etc

- Establish the principle and practice of taking decisions as close to the action as possible

- Help managers understand what the new management practices are, and how they can communicate them to others

- Use story-telling to reach managers at a deeper emotional level to persuade managers to stop acting like the traditional boss and embrace agile leadership

- Encourage 'tight-loose' leadership – help managers understand why, when, how and what to signal

- Improve top team functioning – provide feedback, development and challenge poor practice

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A new majority is emerging
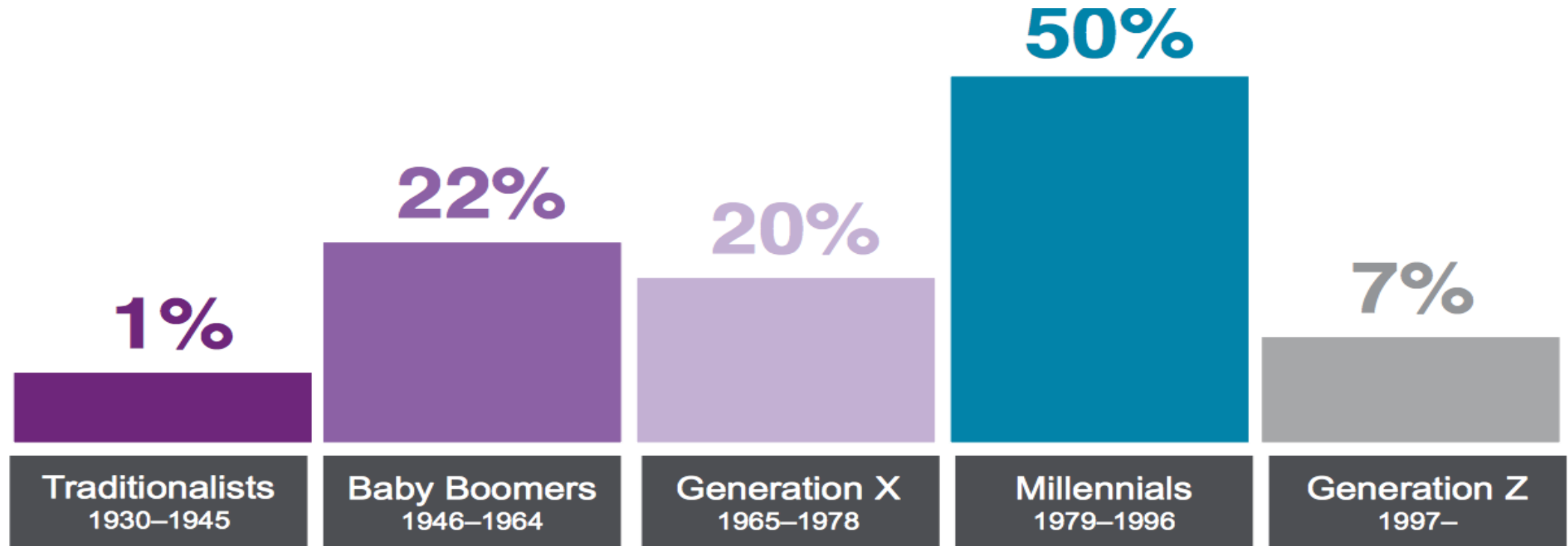
- Baby boomers working well past retirement age
- Millennial (Gen Y) majority
- Female majority
- By 2025 Millennials will account for 75% of global workforce

Source: Future of Workforce Survey, Aon Hewitt

Co-create a new partnership with employees: the importance of fairness and choice

"It's such a significant part of our culture now. People having the ability to make a change [to] something as simple as the temperature in an office space really goes a long way for an employee to feel happy, feel appreciated, feel really engaged in their day-to-day work."
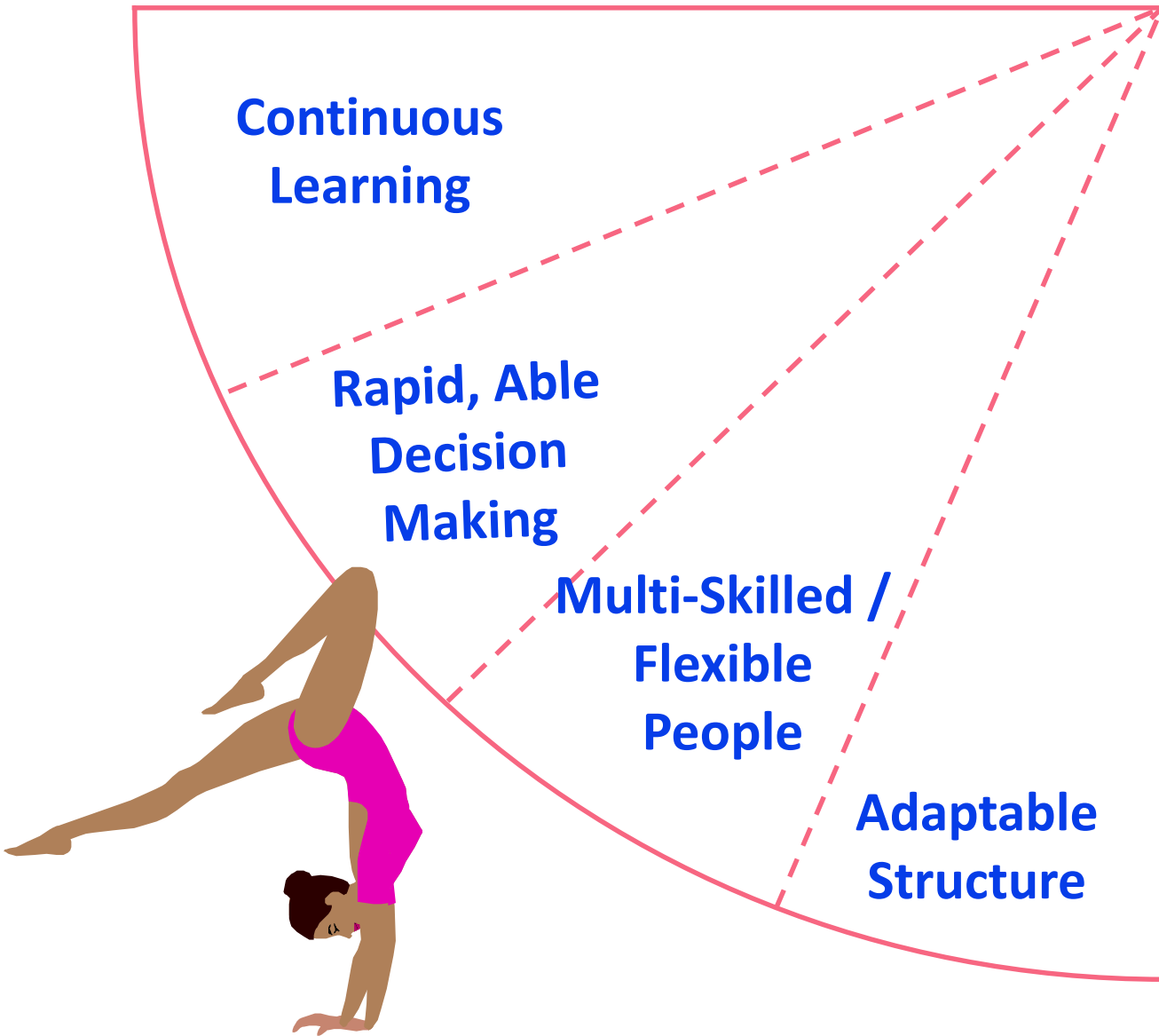
Sarah Pacitti, Learning and Development, AppNexus

The *Engaged* model – making engagement a habit, not an event

© Geoffrey Matthews & Linda Holbeche
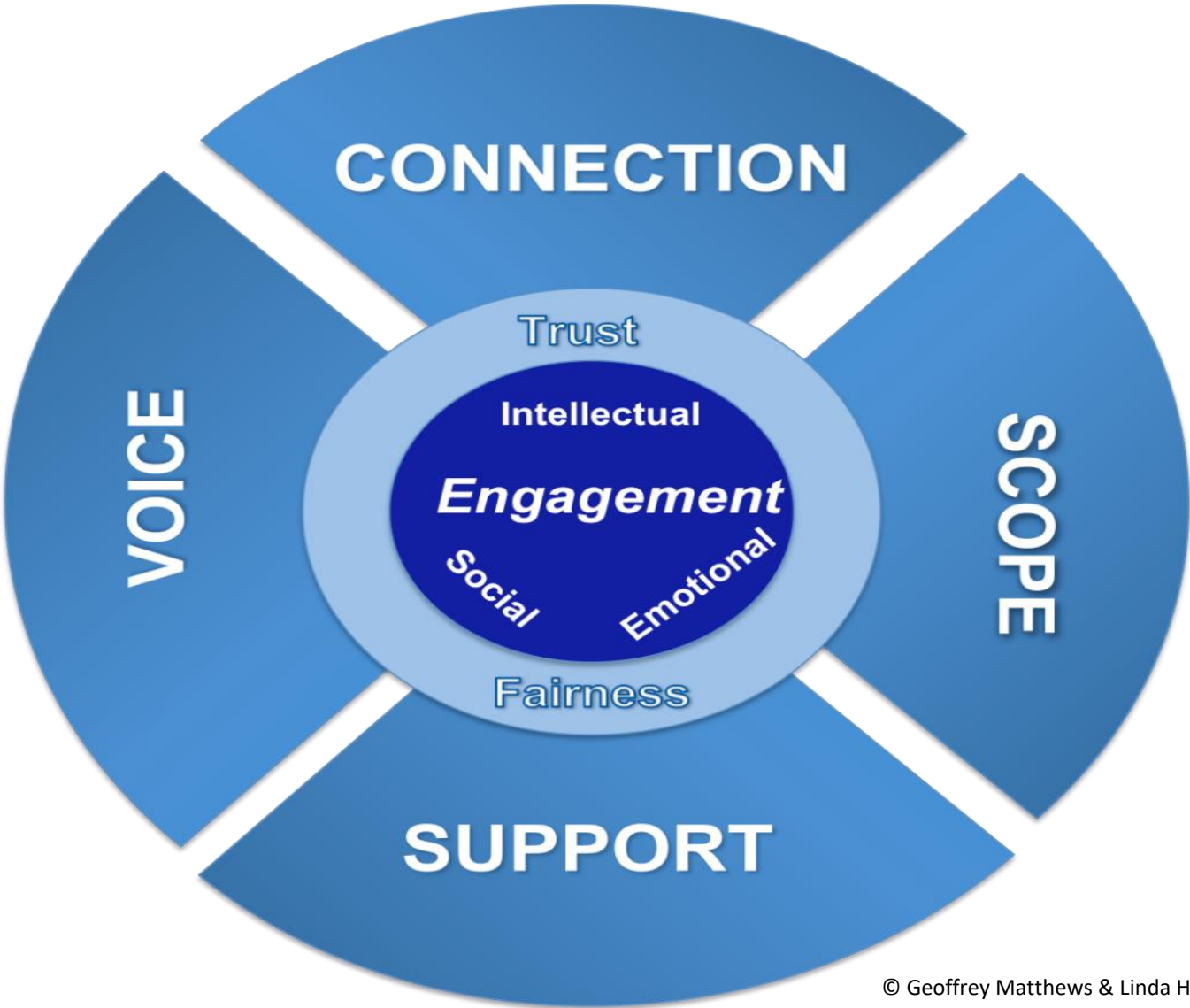
Develop a shared leadership culture

- Recruit and develop future leaders who 'get it'

- Prepare today's workers for the digital future, continuously reskilling them to create a sustainable workforce—in the process, emphasizing human strengths in the collaborative relationship between people and between people and machines

- Offer joint development opportunities to partners and contingent workers

- Develop leadership at all levels – e.g. get people involved in reviewing and revitalizing the values, strategizing around key challenges

Build workforce capability: more agile routines and skills

Continuous Learning

Rapid, Able Decision Making

Multi-Skilled / Flexible People

Adaptable Structure

Adaptability

Learning Agility

Tolerance for Complexity

Entrepreneurial Mindset

Innovation and Creativity

Resilience

Resourcefullness

Managing Ambiguity

Collaborative behaviours and values

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Extend the employee experience

- Ensure adequate support - develop engaging managers and values-based leaders
- Focus on employee well-being
- Increase voice – actively involve people in change
- Develop capabilities and skills
- Prepare people for new roles – arrange cross-organisational attachments etc
- Training, evaluations and promotions that emphasize collaboration; rotations required for moving up
- Fair performance and reward processes
- Flexible working options
- Effective diversity policies
- Provide flexible growth opportunities: develop in/out/in career tracks

Change culture to retain talent longer

From	To
• Push	• Pull
• Direction	• Dialogue
• Top-down	• Involvement
• Information	• Communication
• Rigidity	• Creativity
• Control	• Engagement

© Linda Holbeche & Geoffrey Matthews 2013
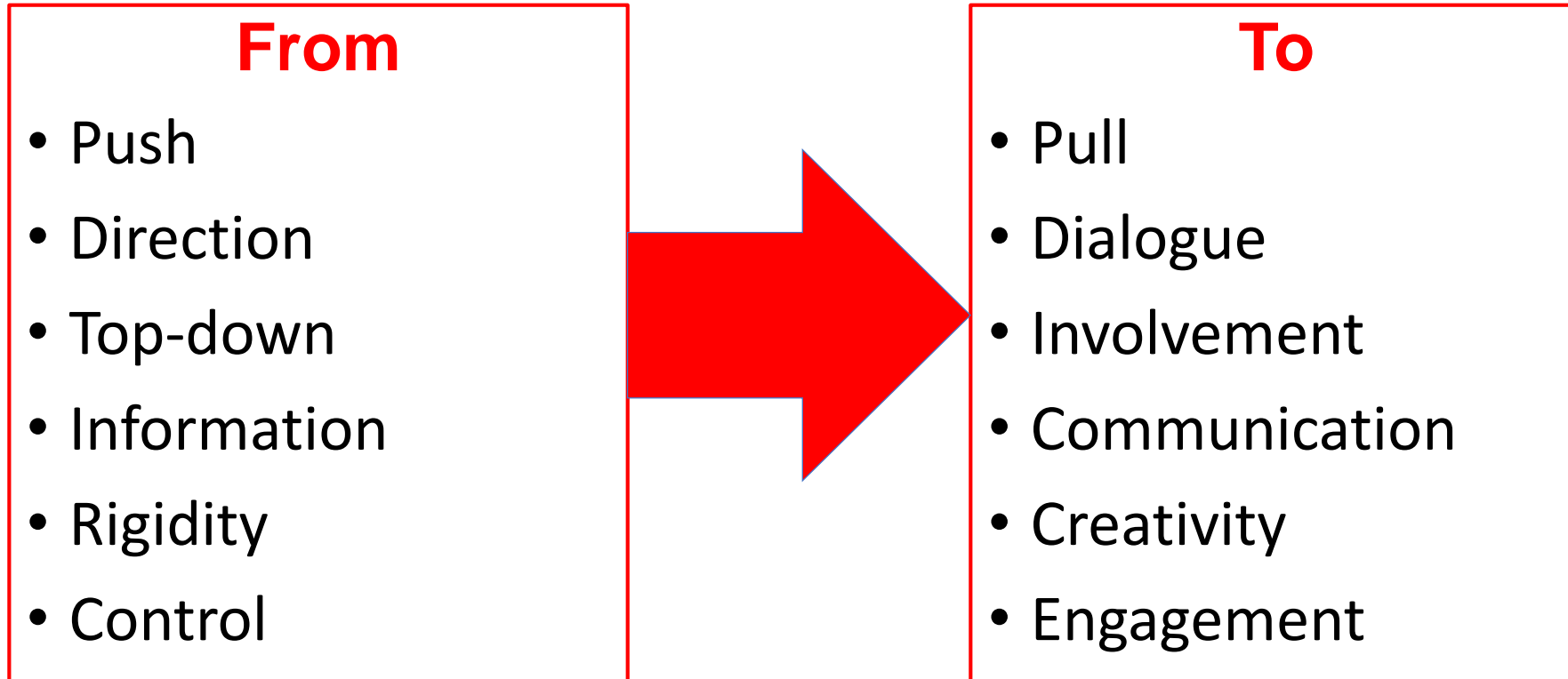
Build resilience through change

✓Keep faith with employees
✓Build trust
✓Create climate for change
✓Involve people in change
✓Equip people for change
✓Two-way communications
✓Manage for performance and innovation
✓Prepare people for new roles
✓Provide a sense of purpose and progress
✓Help people feel valued

Role model a culture of disciplined innovation

- Act as innovation hub – collaborate with other disciplines to share knowledge, work on change programmes, design spaces, facilitate connections …

- Consider what core elements of HR process can be standardised, and simplified to free up space for needed innovation and shared learning.

- Co-create HR policies with staff

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THE AGILE ORGANIZATION

How to build an engaged, innovative and resilient business

LINDA HOLBECHE

2ND EDITION

CIPD