



Decoding Change

*The future belongs to those that believe in the beauty of
their dreams* **Eleanor Roosevelt**

Human Performance
Replicator

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DECODING THE ASPECTS OF CHANGE

Change is something we're surrounded by, continuously, but when it comes to change within an organisation, it's by no means an easy feat to accept.

Routine, expectations and control are the main blockages to organisational change, and for an organisation to embrace the dynamics of change, there needs to be a willingness to embrace something outside one's comfort zone.

The business world is in constant flux, yet many companies are unable to adapt to change. With change management initiatives evolving at a rapid rate, there is a pattern **showing that at least 70% of these initiatives end up failing.**

What happens because of this failure is an unaccounted for "collateral damage" involving finances and people within a company.

So, what causes the failure of change management initiatives?

1. An unstructured change management process without any parameters.

Change is inherently structural, consisting of a beginning phase, transition phase and an end phase. The concept of change always seems to be one around chaos, yet it has a distinct structure you can invariably anticipate.

2. Adopting a naïve and simplistic view of human behaviour.

Conventional change management claims to address the human component but fails to address several counterintuitive insights that centre on the emotional nature of where employees come from their inherent beliefs and patterns how employees adapt to change and how they're affected.

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More than 60% of change-related problems stem from people and not many organisations truly understand what it takes to deal with the psychology of human responses to change

Addressing these two issues may take extra effort but the return on investment, reflected in significantly increased project success rates and financial returns, is compelling. So, let's uncover the practical aspects of dealing with change and making it work successfully for you.

AN INTRODUCTION TO THE HUMAN PERFORMANCE REPLICATOR

When it comes to all aspects of change and processes involved, let's first unpack what we at the Human Performance Replicator do, by looking at an example which shows you what the basis of Modelling is shaped from when it comes to changing behaviours of employers and employees.

There's something called the law of diffusion of innovations. To understand this, let's imagine the classic Bell Curve. All populations, regardless, always sit across the standard deviation.

There are high performers, low performers and the average. What the law of diffusion tells us, is that the first 2.5% of our population are innovators, big idea people, like Steve Jobs, or Elon Musk. Then you have the 12 to 13% percent of the population who are the early adopters.

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The bulk of the curve consists of the majority, but they're cynical. They're practical, as in, what's in it for me? So, what the law of diffusion tells us is that you cannot achieve mass-market success or entrance for a new idea until you achieve 15 to 18% market penetration. It is the Tipping Point. The top early adopters, they get it, but for only this small percentage of your company to be open to new thinking and modes of doing things is just not enough. What Geoffrey Moore called Crossing The Chasm is what he calls The Magical Gap and the way you get to it is, you don't talk to the majority.

You aim only at the early adopters because the majority does not want to try something new until someone else has tried it first.

At the Human Performance Replicator, we take the top percentage and model their success onto average performers. Through our proprietary training and coaching, we then model these average performers into top performers.

What's key to our modelling, training and coaching is that we look at a myriad of aspects that usually are thought to be unmeasurable.

Take patience, reliability, trust and other aspects of character; how do you measure these personal and individual attributes?

Firstly, attributes are more inherent to our nature.

All of us have the attributes we need for every situation life presents us with - depending on what level of adaptability we have.

These levels inform our behaviour as they show us how we're going to adjust to a situation.

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Adaptability is generally qualitative, but it's also dependent on environmental factors. For example, take uncertainty, challenge and stress, these are aspects where you can't apply a known skill, as skills direct behaviour for a known situation. So, when you get into an unknown situation, skills don't apply, as we lean on our attributes.

Let's take a **finite** minded person like a well-known soccer star. This person likes to train and prepare so that there's no such thing as the "unknown" because **finite** minded people fear the unknown. They fear uncertainty and so they practice relentlessly to be prepared for any eventuality as the thinking has already been done.

The problem with this type of thinking/behaviour is that it only works for expected things. With finite thinking, the thinking happened in the past so it's like muscle memory.

With the **infinite** minded person, they embrace uncertainty as that's where the real thinking begins. Skills are good for finite mindedness but building these attributes is really what it takes to build an infinite mindset and in business, a top-performing trusted team. When it comes to top-performing teams, they aren't just good when things are going great. They are great when things go wrong.

At the Human Performance Replicator, we focus in our modelling many aspects including attributes, like adaptability, patience, situation awareness, as these are the things we lean on in times of uncertainty. This is what starts building the trust because trust, after all, is part of behaviour.

Trust is not just a feeling, it's a belief. Belief is a human emotion, and you can't make anybody trust you. But what's important to understand is that you must change the behaviour so that a decision to trust is then formed.

CHANGE HAS A POOR REPUTATION

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Change management as a baseline tool has had its moment to shine, but now with the new world of Neuroscience, it's about to change.

Neuroscience deals with human behaviour, including all forms of business disciplines involving performance change such as Human Resources, Operations, Strategy, Innovation, Technology, Business Development, etc.

More than seventeen years ago (Kotter J, 1995) showed that only 30% of change programs were successful. Another study undertaken (Turner D & Crawford M, 1998) concluded that 88% of executives believed that the changes were right and that the company can achieve the changes but only 33% achieved partial or complete success.

Recently, research suggests that the success rate has shown modest improvement, yet the proportion is still relatively low, peaking only at around 34% (Standish Group, 2011).

McKinsey research (Jacquemont, D, Maor, D and Reich, A, 2015) confirmed that senior executives still believe that only 26% of major organisational transformations fully achieve the outcomes they set out to achieve.



Source: Standish Group, Chaos Study 2011

- BLUE: CHALLENGED
- RED: FAILED
- GREEN: SUCCEEDED

CHANGE PROJECTS AND FAILURE – THE SLIPPERY SLOPE

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Change within an organisation is ultimately up to the collective of people that make the company function. Procedures and implemented plans need the ignition or "buy-in" from employees and employers.

In understanding why change programs fail, studies reveal that most (60%) fail due to the very factors that need to change; employee attitudes and management behaviour (Kotter 1995, La Clair JA & Rao RP, 2002, Aiken C & Keller S 2008, and Prosci 2005, 2009).

In a range of other studies, the results show that positive attitudes towards change are vital to the success of change programmes (Eby LT & Adams DM & Russell JEA & Gaby SH 2000, Gilmore TN & Barnett C 1992, Kotter J

1995, Martin M 1998).

Therefore, when it comes to significant organisational changes, these are related to the operational side of organisations. It's fair to say that operations generally account for the largest number of a company's employees and the widest variation of skill levels.

So, the challenge of success depends on persuading a large group of individuals to think differently about their jobs and to change the way they work.

Making operational changes the norm is critical and often difficult. Unfortunately, organisations still ignore employee attitudes or continue to use unstructured and non-functional strategies to address anticipated human responses to change.

CHANGE IS NOT EVERYONE'S "CUP OF TEA"

At the Human Performance replicator, we are inspired by and look towards studies to gain insight and understand the best way forward for implementing changes that work.

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There have been several studies that found that business change initiatives face resistance for a common group of reasons (Kotter J 1995, LaClair JA & Rao RP 2002, Aiken C & Keller S 2008, and Prosci 2005, 2009).

Managers and employees:

1. Believed the initiative lacked active executive sponsorship.
2. Were comfortable with the current state and not aware of the business need for change.
3. Were unsure if they had the skills needed for navigating the change process or for success in the future state.
4. Were distracted with anxiety, uncertainty and doubt. Lay-offs were announced or feared as part of the change.
5. Were overloaded with current responsibilities and felt the initiative was one too many.
6. Believed they were being asked to do more with less, or do more for the same pay.

CHANGING RESISTANCE TOWARDS CHANGE

Whether a change is large or small, there will always be those “naysayers” who will oppose it.

Recent literature contains evidence that resistance however may be useful (Waddell D & Sohal AS, 1998).

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One of the most important and useful principles for managing change relates to 'positive intention'.

At some level, all behaviour has been developed for some "positive purpose" or "intention" (Bandler R, Grinder J 1979 & 1982). According to this principle, resistance or objection emerges from some underlying positive intention or purpose. For example, the positive purpose behind the objection, "It is not possible to change," might be to prevent 'false hope' or to avoid wasted effort.

A manager may feel defenceless by change because they are insecure about their skills or the support needed to cope with the transition". Neuro-Linguistic Programming (NLP) processes, such as Reframing (Bandler R, Grinder J, 1982), are ways to help people expand their options of a situation and perceive choices and decisions, other than resistance.

HUMAN BEHAVIOUR IS COMPLEX

As a collective society, there has always been a view that as humans we have a divided behavioural system, rational and irrational (emotional).

Because of recent research into human nature, we now have a richer, clearer and deeper interpretation regarding behaviour. This is garnered from researchers using a multitude of diverse fields: Neuroscience, Psychology, Sociology, Behavioural Economics, NLP and Applied Cognitive Psychology. Having access to this gives us some very important insights. For example, the unconscious parts of our minds are where the most impressive achievements of thinking take place (Lakoff G & Johnson M, 1999).

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Secondly, emotion is not opposed to reason; our emotions assign a value to things and are the basis of reason (Lakoff G & Johnson M, 1999, Grindler J & BosRc & St. Clair C, 2001). These researchers' work shows us how the emotional and the rational, the conscious and the unconscious are intricately intertwined.

An outstanding metaphor for this conscious/unconscious dynamic comes from

(Haidt J, 2006) who talks about a human riding atop an elephant. The Rider represents our conscious mind, the analytical planning side. With this "power", the Rider decides to go in a particular direction. But it's the Elephant, the unconscious emotional side, that's providing the real power.

In any direct contest of wills, the Elephant has a size advantage and is going to win. So, when it comes to achieving change, the answer lies in aligning both sides of the brain by pointing out the direction for the Rider and motivating the Elephant to go on the journey, together. So, our way of communicating in organisations is like the Rider. We build (plan) an intellectual case for change which relies on formal authority. The way most change initiatives are implemented is through a tiresome and long-winded presentation that does not motivate or stimulate the person in any way.

It's not enough to show intellectually that we need to change, it's harnessing and unleashing a change in behaviour that will result in a positive outcome.

According to leading research, four basic conditions need to be achieved before employees will change their behaviour (Lawson E & Price C, 2003).

1. A compelling story: They must see the point of the change and agree to try it.

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2. Role modelling: They must look to leaders and colleagues they admire to model the desired behaviour.

3. Reinforcement systems: Structures, systems, processes and incentives must be in tune with the new behaviour.

4. Skills for change: They need to have the skills to do what is required of them.

One thing can be said about these 4 conditions, that is, many managers feel they are common sense. And this is where things take a turn for the worst. Managers who attempt to put these four conditions in place by applying "common sense" generally neglect a vital aspect of human nature -we are irrational (or emotional) in many predictable ways.

At the Human Performance Replicator, we look at these four rational conditions and the predictable irrational human responses to change. Once we do that we can then see where they fail and how to address the failings so that a successful outcome is achieved.

UNDERSTANDING EACH CONDITION

1. A Compelling Story

You've heard the saying, there are two sides to every story? This is applicable when it comes to understanding human behaviour, as there are two sides to the way we think about any issue. There's the rational, analytical, problem-solving side and the emotional, irrational side of our brains.

Managers and employees need to be aware of these sides, including intention for, outcome from and the consequences. In this case, the "compelling story" is the usual mechanism employed by managers to communicate these ideas.

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However, this compelling storytelling strategy can be overlooked, because what motivates management doesn't necessarily motivate employees.

Research confirms that there are at least five sources of meaning for humans at work: impact on society, the customer, the company/shareholder, the working team, and "me" personally (Barrett R, 1998; Cowen C & Beck D, 1996; Zohar D, 1997).

Furthermore, employees are divided as to which of these is a primary motivator. Therefore, leadership telling these five stories can be the answer to unleashing maximum energy for change.

YOUR EMPLOYEES MUST FIND AND TELL THEIR STORIES

When employees are given the freedom to find a story for themselves rather than being told what to say, they are more committed and passionate about the outcome. This is the "What Is In It For Me" (WIIFM) factor. Therefore, as management or the leader of a company, rather let the organisation write its own stories. There are two very different types of logic when it comes to decision making; one is the logic of consequences; the second is the logic of identity (March JG, 1988; Daniels A, 1999).

Consequence based logic tends to narrow people's focus. And given the chance, your employees will create their own stories to align their mindsets with the change.

With the correct facilitation, managers can learn these skills and apply them to help employees change their limiting mindsets and embrace change.

2 Role Modelling

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We all have our role models, from popular culture, business, sports, etc. Let's look at the broad-based term firstly. The term "role model" first appeared in socialisation research on medical students (Merton R, 1968) and described how individuals compare themselves with reference groups or people who occupy the role to which the individual aspires. Generally, in most organisations, people model their behaviour on "significant others; those they see in positions of power and influence.

Unfortunately, the problem with relying on an organisation's role models, is that these people often see themselves as "the change". Many academic and business researchers (Church AH, 1997 & Sala F, 2001) have found managers over-rate themselves. The higher the management level the greater the discrepancy and more consistently they rate themselves higher than others.

Unfortunately, leaders alone aren't that influential (Katz E & Lazarasfeld PF, 1955). Within a company, people at different levels of the hierarchy "ladder" choose different role models. So, to leverage role models to change behaviour throughout an organisation, these people at every level all need to be on the same page and come together as a collective to influence change.

3 Reinforcing Systems

Reinforcement is a great way of "getting the message across". Managers and psychologists (Daniels A, 1991) have successfully applied conditioning theory and positive reinforcement (Skinner BF, 1938) in organisations.

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There are quite a few supporters of Skinner and Daniels who all suggest that positive-reinforcement "loops" have a continuous effect: once established, and basically, you can leave them be. Over time, however, Skinner's experiments show the same reward and corrective feedback becomes ignored. Staff can become complacent with the same rewards, preventing organisations from sustaining higher performance. So, preparing for change over time is therefore required (Nelson B, 1995).

CASH IS NOT ALWAYS KING!

Unlike the socially accepted norm that money can motivate anyone, organisations overlook the fact that money is the most expensive and not the most effective way to motivate people (Nelson B, 1995).

There is a better and more cost-efficient way to motivate your employees -small unexpected returns.

The reason small unexpected rewards have a greater impact is that employees perceive them as a "social reward" and not a market exchange within a company.

Here are just a few examples of social rewards: public praise, learning opportunities, self-betterment courses, flexible hours, personal days off, etc. In today's demanding and stressful work environment, these "pat on the back" rewards seem to have more value than a simple monetary incentive.

History continues to show us that by treating people in a way that motivates them to be extraordinary, success is within reach.

4 The Skills for Change

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How is it possible that many companies want change when they do not invest in teaching people the skills to implement it? Several change programs put pressure on employees to behave differently without understanding the behaviour disrupters within them (critical) teaching them how to re-adapt to general instructions to their situation. It is so important to ensure managers are trained to lead workplace transitions. Furthermore, it is of utmost importance that any investment in training delivers behavioural changes that last and are used.

The traditional training model focuses on training as an event, not a process. In research undergone, there is evidence that the half-life of single event conventional training is less than six weeks and that after three months adults

retain only 10% of the content in lecture-based training sessions (Equation Research, 2004).

When people learn by performance like role plays, simulations, 65% of what is taught is retained. When people put into practice these learnings in the work environment for several weeks, together with real-time observation and coaching from their manager, almost all the learning is retained (Rackham N, 1979 and Whitmore J, 2009).

Below you'll find a comprehensive list of a best-practice approach, recently developed (Race, P 2010). Learning is succinctly summarized as a seven-step process:

- 1) Develop the "want" to learn.
- 2) Develop the "need" to learn.
- 3) Learn by "do", "practice", "trial and error" and "repetition" of success.
- 4) Integrate "feedback" on the do, practice and trial and error.

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- 5) "Make sense" of what has been learned.
- 6) "Coach" others to deepen your own learning.
- 7) "Assess" (by self and external) learning.

For training to be seen as effective and a success, it needs to incorporate action plans and participant commitments about what they will practice in the workplace to reinforce the learning. There are however several factors that may make it hard for the employee to practise diligently and therefore it is unreasonable to expect that most employees will practice new mind-sets, skills and behaviours

The ultimate success of training can be greatly improved by using "field and forum" approaches linked to the participants' day-to-day accountabilities which are then reinforced by quantifiable, outcome-based goals.

To embed behavioural changes so that they last, it's best to have entire teams trained simultaneously. This will help ensure that managers and supervisors can reinforce their team's training and that these teams will see role models from within their own group.

ROI IS A GAME CHANGER

A study by McKinsey (LaClair JA & Rao RP, 2002) showed that organisations that had strong change management capabilities, experienced the biggest

returns while those with poor change management capabilities showed the complete the opposite.

The companies with the best change management practices gained

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the expected returns or exceeded them; in some instances, by as much as 200% to 300%.

Therefore, it's sufficed to say that effective change management is an important process to undertake and offers those who are committed to the process of change a high ROI.

As most people are averse to change, the companies that are too, show stunted growth and staff that lack motivation, inspiration or any drive for success.

Companies generally don't manage change as effectively as they should because they lack the critical knowledge and change skills, plus they don't put in place procedures that advance and reward changes in the workplace.

At the Human Performance Replicator, we're able to offer advanced and effective change management solutions that successfully anticipate and address issues associated with implementable large-scale change.

Companies and managers alike need to realise that by employing effective change management processes, they will ultimately enjoy higher project success rates, a higher ROI and most importantly, decode the problems associated with change that gives them the competitive edge, accelerating their business' way past their competitors.

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