

PEOPLE AND RESULTS

Let's consider this simple equation: companies invest in assets such as marketing strategies, logistics structures, knowledge and knowledge management, machinery, brand positioning, advertising, IT, etc., and business results depend, ultimately, on people's actual behaviors. In some cases, this **human factor** can really determine the success or the failure of a project.

There are several paths, more or less codified, that have always been used by companies to align behaviors with objectives: from more or less complex rewarding (or punishing) systems to providing motivational speeches and training sessions, to more structured forms of organizational development.

The fact is that most change initiatives fail. There are many research studies that confirm this statement, starting with the pioneering studies by A.D. Little and McKinsey on Total Quality Management programs: both concluded that around two-thirds of them failed to produce hoped-for results¹. John Kotter², in a study of one hundred top management-driven corporate transformation efforts, concluded that more than half did not survive the initial phases. He found a few that were "very successful" and a few that were "utter failures". The vast majority lay "... somewhere in between, with a distinct tilt toward the lower end of the scale". Reengineering processes have fared no better: a number of articles place the failure rate around 70 percent³. As Peter Senge said: "Many of the leader's grand strategies never get implemented; instead, people cling to habitual ways of doing things."⁴

The purpose of this paper is to shed light on the development of those Behaviors that lead to Business Results.

¹ Paul Strebel, why do employees resist change?, Harvard Business Review.

² John P.Kotter, Leading Change: why transformation efforts fail, Harvard Business Review.

³ James Champy, Reengineering: a light that failed.

⁴ Peter Senge, The dance of reality.

The problem with People Development

It really seems that organizations have understood the importance of People Development. Many companies say they want to invest in people's growth. Those who study future scenarios say that continuous learning (skilling and reskilling) is essential to remain competitive in a context of maximum acceleration and that one of the key skills of the near future is precisely being able to learn⁵.

“Our behavior is driven by a fundamental core belief: the desire and the ability of an organization to continuously learn from any source – and rapidly convert this learning into action – is its ultimate competitive advantage”, said Jack Welch of General Electric.⁶

Peter Senge says: “Competitors can gain access to other resources: capital, labor, raw materials, and even technology and knowledge (for example, they can hire away your people). But no one can purchase, duplicate, or reverse engineer an organization’s ability to learn”.

Yet the choices made by companies often suggest a very different truth. It is not uncommon for training to be considered a cost more than an investment and to be one of the first expenses to be cut. Training is sometimes even seen as a 'distraction' from everyday tasks, rather than as a performance factor. They may ask you to get training that would take 4 days and condense it into 2, while maintaining the same effectiveness, of course.

How do we explain these inconsistencies? Different levels of reading can be traced back to a simple concept: there is no real confidence in the effectiveness of training; people are not believed to really change and to be able to transfer change into everyday work⁷.

We will make distinctions that will allow us to look under the hood and better understand which pieces compose the puzzle of a change management process. Then, we will provide criteria to manage its complexity effectively.

An Integrative View of Change Management

We have a Business Result to achieve and something still has to change, otherwise we wouldn't be here. What can we do to blueprint a change that works? It could be useful to integrate into one flow some pieces of the puzzle that are historically kept apart. How do we picture a Change Process?

We start from an impact we want to generate and we identify a behavior – a set of behaviors, actions, tasks, applied skills – as the key to obtain that result. In fact, a good starting point is a precise definition of the Business Result we want to achieve and the Target Behavior. How can we describe them in an unambiguous term? How can we measure them?

Then a fundamental checkpoint is understanding if that behavior is possible or rather obstructed by the organization itself. As when we plant a seed, we need to check if the ground is ready to receive it and host it.

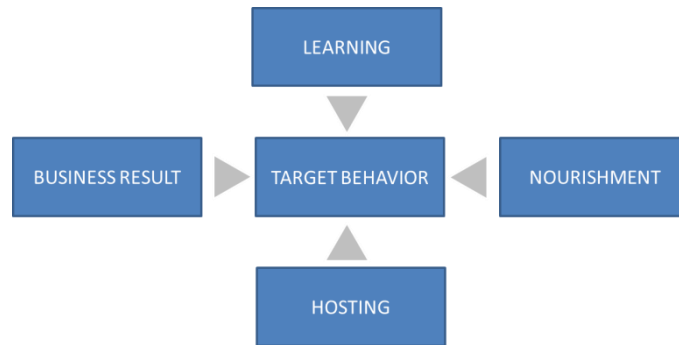
⁵ See Council of the European Union: TIP RECOMMENDATION OF 22 May 2018 on key skills for lifelong learning

⁶ Arie de Geus, The Living Company.

⁷ A McKinsey Global Survey, carried out in 2010, indicates that about 75% of those surveyed do not believe that their organization is effective in building the skills they need, meaning by 'skill' anything that allows the company to deliver significant business results.

The next step is to ask ourselves: are people already able to perform it effectively? If the answer is ‘yes,’ we just need to promote that asset, to help people use more of it and to spread it throughout the organization. We call this step: Nourishment.

Last, if that behavior doesn’t correspond to a competency that is already owned by the people, we would activate a learning process. But even in that case, all the previous steps remain valid: we need a fertile ground where to lay the seed and a way to nourish it.



These distinctions are somewhat underestimated in many companies and the pieces are not well integrated: sometimes the change process ends with a communication of the ‘what’ and ‘how’. Taking for granted that people already can do it effectively on the job. Maybe that communication happens through training and maybe it’s repeated over and over. But that’s it.

In other cases, the change process just gets lost in the ‘training bubble’⁸: amazing training programs that are just disconnected from the real change process; lacking continuity with the real job; missing the purpose itself to the point that when you ask: “what impact are you working on?”, no trainers, trainees or training designers can enumerate a convincing set of key indicators to measure it.

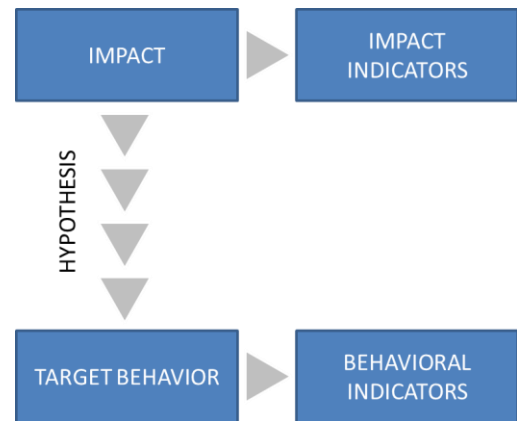
In our fifteen-year-long research we’ve defined seven pillars for a solid and consistent practice of translating the strategic outcomes of an organization into effective behaviors. Sometimes it’s hard to describe through words the slight flavours that actually turn a practice into something effective: often only direct observation can really provide the understanding. Anyway, we hope these distinctions would help do the right moves that make the difference, avoiding a leak of energy, time, and money.

⁸ J. Arets, C.Jennings, V.Heijnen, 702010 *towards 100% performance*.

Exploring the 7 Criteria for Effective Change

To make sense of today's complexity, we'd share a framework that emerged from our research study. This is not a series of procedural steps but rather criteria that have to be respected. You may also use this as a checklist to see if everything in your change process is in the right place:

1. **Connect the whole process to the company's strategic objectives.** To make the intervention effective, it is first necessary to start from the strategic objective we want to achieve. We call it 'Impact' and it is necessary to express it in unambiguous terms, finding measurable indicators. Especially when the change is carried out through a training program, this connection is usually lost. Let's step back for a moment and ask a question to the different actors involved: the manager who made the request, the L&D referents, the final decision-maker who oversees the training budget, the trainers, and the trainees. The question is, "What business metrics will reveal that a change has happened as a result of this intervention?". In these last 15 years, we posed this question over and over again and never found a prompt answer. You can test it yourself. If this connection is missing, it becomes impossible to give the process the value it deserves. It will, therefore, be difficult for the company's stakeholders to consider it a priority.



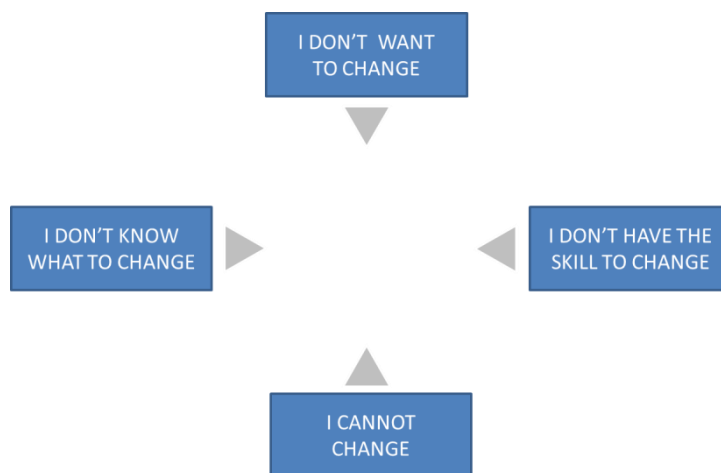
2. **Find a specific Target Behavior.** It's the behavioral change that will lead us to our goal. What exactly should change in people's behaviors? How can we describe it in objective terms? What would we see and hear differently? Sometimes it requires extraordinary care to really focus on what will really make a difference and an anthropologist's eye – observations, mystery clients, recordings, etc. - is certainly much more useful than the biased practice of asking people what they need. We often hear definitions that are pretty vague and therefore open to interpretations: like 'improving our leadership'; sometimes we can easily locate where the problem is but the solution is not clear: what should people do instead? For example, we might figure out that salespeople go poorly on the customer's need identification but the question is: how exactly should it be carried out? If we miss this point, all the processes will go off on a tangent.

3. **Prepare the ground to host the seed.** It might sound weird but obstacles at a systemic level are more common than we might think. For example, a company aimed at more efficient time management and chose to provide a time management course only to find out, in retrospect, that the problem had not been solved. In fact, in that specific reality there was the implicit culture of the 'open door': everyone, while engaged in an activity, had to accept willingly to be interrupted by colleagues or customers. Continuous interruptions are the main cause of distraction and depletion of time⁹. Having pre-analyzed this environmental cause, a completely different intervention would have been activated; the time management course, in fact, left the

⁹ In a time of increasing remote working, the same concept could be the 'open call': when receiving a phone call means that you have to stop what you are doing.

participants in a state of frustration due to the impossibility of putting in place most of the trainer's advice. Is the new behavior possible or does it contrast with some strategic or organizational directive or procedures? Or does the new behavior conflict with other interests and motivation?

4. ***Build the Change upon a 'resistance to change' analysis.*** An individual can resist change because he doesn't have specific, concrete knowledge. But often the behavior is so complex that there is a huge gap between just knowing and doing. Do people have the chance to develop the behaviors in a safe way until they can apply them to their job? Do people have the chance to consolidate the new behavior on the job through corrective support of some kind? Most of the training programs are just cognitive interventions; although they are engaging, high-quality, activating, and customized programs, they are just cognitive ones. So they fail to address the real issue. Furthermore, sometimes people already own the capability but something internal, such as motivational aspects or emotional limits and blocks gets them stuck in a position of low effectiveness. In this case, an empowerment protocol should be taken into consideration.



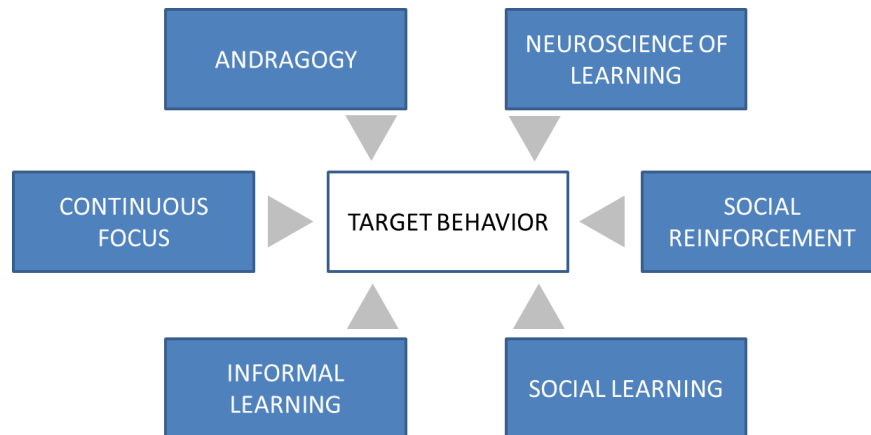
In the four different cases, we should resort to different kinds of intervention. In the absence of such an analysis, the solution designed risks falling victim to 'trendy' choices, personal tastes, or bias, thus being ineffective.

5. ***Build the change accordingly to adult neuroplasticity***¹⁰. We are asking people to change their habits and we should know that it's not a rational process: just knowing that a diet is necessary and it works, often is not enough to follow it. Focus and a sense of urgency are necessary to open up our neuroplasticity. Are people really activated and engaged¹¹? Then the 'amount of change' should also be sustainable: it should respect the ultradian cycle – we cannot focus without interruption for hours maintaining the same level of attention - and the fact that change in our brain requires deep rest after the learning experience. So, are we still dealing with

¹⁰ For detailed studies on neuroplasticity, you might refer to Andrew's Huberman's podcast on neuroscience.

¹¹ Are their self determination activated? Is the change perceived as strongly connected with their daily necessities? Actually we might address motivation from the very first moment, when we can engage a group of people to take awareness of the motives and to put their experiences at work in identifying a well built Target Behavior.

8 hour - hundreds of slide training days? In addition to that, we also know that neuroplasticity happens when we try things over and over and allow ourselves to make mistakes. The continuous adjustments to those mistakes make the magic happen. Are we providing an open space for behaviors to be rehearsed? Do we just talk about behaviors or we really walk them? Often change fails because the way it's carried out violates the basic principle of adult learning¹² and the neurobiology of learning.



6. *Integrate the change into the daily work.* Most of the changes that make a difference don't happen overnight. They take time. Learning takes time, and also establishing a new habit takes time. And we all know that we don't have much time to subtract from our work priorities. That's why all we set up for enhancing the change, even when it's launched through a formal practice, has to continue while people work¹³. If we want to spread the change, as Herrero would call it, virally, we need to have people practice the change and have satisfaction from that. Can we find ways to reinforce the new behaviors directly on the job? Do current procedures, tools, workspaces require and support the new behaviors? Many changes early fade away, and it happens even when they're well appreciated just because the organizational focus shifts over some other urgency. That's why we should check if continuous focus on our Target Behavior is activated. One solution lies in a continuous performance management practice¹⁴. And we might also consider giving it the spin of a social reinforcement: on one side giving visibility to the achievements; and on the other side stimulating social exchanges, spontaneous mentoring, peer-to-peer support, by creating spaces for sharing.

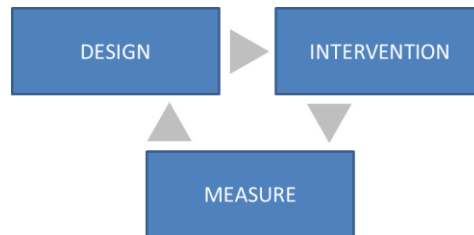
7. *Measure and Design with Agility.* This last condition makes the 6 previous requirements connected. We are casting a spell into complexity. We've designed an intervention upon

¹² Knowles, M. (1989) The making of an adult educator: An autobiographical journey (Ed.)

¹³We are referring to what we may call 'Informal Learning'. For some kind of changes it happens naturally as when, for example, people have to tend a machinery and learning how to use it comes with the use of it maybe through the help of an 'on demand' support. According to Paul Matthews, organizational learning needs to be reviewed in light of new findings on adult learning, neuroscience, a reading of new work contexts that foster connectivity and autonomous research of knowledge. If this change does not take place, "companies will continue to carry out training courses, while, in parallel, workers will look for information when they need it. The future of L&D is to focus less on training and more on facilitating informal learning." Paul Matthews, Informal Learning at Work: How to Boost Performance in Tough Times, 2013

¹⁴ A possible model we could refer to is the one generally attributed to Andrew Grove who introduced the approach to Intel during his tenure there. Doerr, John (2018). Measure What Matters: How Google, Bono, and the Gates Foundation Rock the World with OKRs.

hypothesis: is it really that behavior that will lead us to the result? Is it really that systemic hindrance or the individual causal factors that we've identified to stuck the organization there? In a complex reality, elements are entangled and a problem on one side can be the reflection or a foundation to another problem, or both, circularly. Often we really begin to understand the system when we start to influence it and we don't really know to what distance the apple will fall apart from the tree until the rolling ends. Only a measurement *in itinere* can allow refining the choices made initially, optimizing or even changing them. Real change comes as an act of courage and with the openness of an explorer: no need to be attached to the hypothesis. In other terms, Design and Measurement are elements of a continuous Action-Research process¹⁵.



Instead of designing the intervention all at the beginning, we'd rather create a first small sustainable experience and, based on the emerging effects, we'll design the next step. Those who need certainty from the beginning might feel uncomfortable with this approach; yet it's the way to keep the intervention always punctual, more effective with the least effort and cost possible.

Conclusion

Change is not a problem: it always happened and always will. The problem is: "Will it go to the right destination?". Changing is a natural phenomenon as we might see in the growth of a plant. There is no such thing as pulling or forcing the change. It has much more to do with an attunement: we can go along with it, nurture it, protect it, giving it a direction, even nudging it. But we cannot pull a plant from the top and hope it will grow. The fact is that different obstacles may suck the lymph out of it along the way. Some hazards lie beneath the surface and they will appear just later or indirectly. Some of our actions, despite the intentions behind them, may hinder the change instead of nurturing it. That's why we've presented both the overall picture of a change process and the 7 criteria for an effective change. They are meant to constitute a map to orient our boat across this sea of complexity.

¹⁵ Agility is a term borrowed from IT and now applied also to L&D strategies. Kaliym A.Islam, Agile Methodology for developing and Measuring Learning, training development for today's world.