

Transformation success depends upon human behaviour change.

What is the purpose of this article?

Enable founders, the board of directors, CEOs, and other leaders to discuss the role of human behaviour change in achieving transformation success.

Why do transformation efforts often fail?

Individuals do not change their behaviour, actions and decision making to support success. Individuals may resist the transformation and even actively try to make it fail. These individuals include customers, employees, and other individuals within the company's ecosystem. The success of digital transformation, outsourcing, and cost reductions ultimately still depends on individuals changing their behaviour.

Most individuals prefer stability to the uncertainty and lack of control associated with change, and see more reasons for "don't do" rather than "must do". People look for reasons that activities cannot or should not be done. People don't carry out activities or the activities are late. The quality and intent of the change is not carried out – people focus on being able to "check off" that they did something, while the underlying objective of the change is not achieved.

The failure may be evident only far after implementation is complete. This is often seen when companies undertake major mergers or acquisitions and the expected revenue increases and cost reductions do not occur, at which point observations are then made that the "company cultures" were not considered, which is fundamentally that the resistance and support of the internal individuals was not assessed and planned for during decision making, planning and implementation.

There are 5 ways individuals will respond to transformation.

- 1) Active resistance e.g. taking deliberate action to resist the transformation and to cause failure. Spreads destructive rumours and misinformation.
- 2) Passive resistance e.g. voices opposition, allows failures to occur. I call this "malicious compliance".
- 3) Apathy, compliance e.g. Go along with the transformation. No negative or positive comments regarding the transformation. Show little interest in the transformation.
- 4) Agreement e.g. agrees with the change, tries to avoid failure, agree with transformation when asked
- 5) Enthusiastic support e.g. Champions the change, seeks ways to enable success

What determines how individuals respond to transformation?

Individual emotional and intellectual perception of the transformation is driven 5 factors

- 1) What will be the day-to-day changes to behaviour, decision making, and actions?(e.g. processes/procedures, how to interact and work with others inside or outside the organization).
- 2) What will change in the individual's environment changes (e.g. salary, benefits, who they work for, who their colleagues are, the work space, the technology they use, etc.).
- 3) How is the individual's perception of their identity, value, or their future is impacted (e.g. career path, chance for promotion, perceived status, value of their knowledge, skills and past experience).
- 4) How are the individual's purpose, values, morals, and ethics impacted and the alignment with the company's purpose, values, morals, and ethics?
- 5) How consistent is the transformation with the company's purpose, values, morals, and ethics?

The perception of the personal impact of change is determined by the individual. A change which company leaders believe is "minor" may be perceived as "massive" by individuals.

What is the one factor that ensures transformation failure?

If individuals do not trust their leaders and do not believe what they are being told, then there is no reason for their emotional and intellectual perception to be positive. The individuals' personal ecosystem may be providing misinformation and false rumours.

What is the leadership challenge with transformation?

Transformation can be very different from leaders past experience. Past experience may often have focused on using analysis and logic to enable change. Formal authority (i.e. the "Manager" tells people to do things differently) may have been the basis for driving change. Transformation requires a new set of leadership skills e.g. being able to put themselves into the heart and mind of others, understanding what causes emotional reactions, how to behave and communicate in order to manage emotional actions, etc.

If the leaders are unable to transform themselves, then the broader transformation will fail.

Your next steps

- 1) Determine which individuals in the company's ecosystem must support the transformation to enable success.
- 2) Assess how those individuals will respond based on their perceptions of the transformation. You'll initially make assumptions and then validate by engaging the individuals to understand what they perceive.
- 3) If the transformation is at risk due to negative perceptions, too much resistance, and too little support, what changes do the leaders need to make?
- 4) Assess the degree to which employees and the company's ecosystem trust what leaders say.
- 5) Is there sufficient trust to enable transformation success? If not, what changes do the leaders need to make to themselves?

Further reading

What is business transformation?

<http://koorandassociates.org/business-transformation/what-is-business-transformation/>

How do you succeed with transformation?

<http://koorandassociates.org/business-transformation/how-do-you-succeed-with-transformation/>

Why is trust critical for transformation?

<http://koorandassociates.org/business-transformation/why-is-trust-critical-for-transformation/>