



# **Celebrating work to get Fit for the Future**

*A Case Story of an integral approach to Business Unit transformation*

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This story is about the transformation of a business unit at Company X and the secrets behind its success. When he came to the business unit in October of 2004, business unit manager John Doe found a culture of fear and cynicism. Determined to improve the working climate, he called his forty employees together and wondered aloud: “What would it mean to celebrate work, rather than suffer it?” The result of asking that question was a 2½-year change project that would transform the organisation from one characterized by fear and cynicism to one where employees feel trust and pride. Today, the business unit is more resilient and innovative than ever before, and its business performance is drawing attention throughout Company X and the marketplace.





## **Celebrating work to get Fit for the Future**

### **The context**

When John Doe joined, the business unit employed some forty people, organized into sales, consulting and delivery departments. They operate from the Netherlands, as a Company X services business unit offering business continuity and resiliency services to their clients. In today's interconnected world, virtually every aspect of a company's operations is vulnerable to disruption. As a consequence, continuity has become a concern that extends far beyond IT. And with the number and impact of business risks increasing, the worst-case scenario "insurance policy" approach to business continuity has become woefully inadequate. The business unit delivers services that go well beyond traditional disaster recovery. It helps embed business resilience into every layer of the organization by anticipating the potential impact of a wide range of threats and opportunities, such as natural disasters, unexpected surges in demand and regulatory compliance issues.

Having to juggle the day-to-day management of the business, John Doe decided to bring in an outside consultant and an intern to support the transformation, which was labelled 'Fit for the Future'. The name reflects the observation that the business unit was stuck and needed to transform into a future-facing, resilient organization. Its stuckness was of a kind commonly observed in today's short-term oriented, financially driven multinational corporations. Management relies entirely on the use of spreadsheets and processes, communication collapses into one-way, top-down displays of power, and results increasingly come at the price of collaboration, employee satisfaction and creativity. Being human gets in the way of being efficient, so the latter ends up driving the former out of the organization.

### **The transformation**

This business unit was no different from other organizations which get stuck in this way. But what is unique about this business unit and the people that work there, is their decision to start addressing these issues and the courage and resilience they mustered in the face of a daunting challenge: to bring their humanity back into the organization. And as they were to find out over the course of several years, that's easier said than done. Because the business of caring for clients couldn't be put on hold, yet transformation requires time and a move away from business-as-usual. The need for change was clearly there, but the question was: how do you *do* the change, and do it in a way that doesn't interfere (too much) with day-to-day business?



Note: this process unfolded as needs arose and as such cannot simply be copy-pasted

## Beginning

John Doe started by forming a small core team, consisting of the consultant, the intern and himself. Together, they decided to kick off the project by starting at the most fundamental level, inviting everyone to consider the question: why do we exist as an organisation? The setting for the conversation that ensued was not a regular meeting. Rather, they chose to use a group

process called a *World Café*, where conversations take place at small café-style tables and participants move to different tables several times during the process. Each time they move, participants form different groups and the question is refined, increasing the number of meaningful connections and deepening the quality of the conversation as a whole. Inquiring into the unit's *raison d'être* served to awaken the slumbering sense of purpose and remind everyone of why they got up every morning to go to work.

## Identifying Needs

This sense of purpose was made explicit in the *World Café* and in the monthly group sessions that followed it. During the same period, a survey and a round of in-depth interviews brought to light the needs and values of the people working at the business unit. The survey measured the different underlying value systems of individuals, using a model called *Spiral Dynamics integral* (SDi). The interviews were used to tap into people's personal needs and aspirations and to find out what were some of the critical issues facing the organization.

All of this yielded a rich information set, which the core team fed back into the conversation at the monthly group sessions. Over the course of several months, these group sessions got more and more practical as individuals took responsibility to start up project teams to address some of the critical issues that had been identified, which included the low quality of communication (giving feedback, conducting meetings, listening), the ambiguity around tasks and responsibilities, a number of problems relating to the organizational structure and the business processes (contracting, for example), as well as the low quality of the overall work climate. The main vehicle of the transformation was constituted by these conversations and project teams, which drew more people in as trust and commitment started growing from the low levels it had been at. All in all, they served to prototype a new culture and organizational structure, one that was indeed more 'fit for the future'.



## The results

Organizational transformation, and particularly cultural transformation, is notoriously difficult and can really test the patience and perseverance of those involved. Yet 2½ years after admitting it had gotten seriously stuck, the business unit now finds itself more successful than ever before. The results of the transformation line up with over 25 years of academic linkage research, which aims to identify how elements of the work environment link to business performance. This research suggests that there are causal links between business performance, client satisfaction, employee satisfaction and leadership practices. And because of this causality, an organization looking to sustainably and significantly boost its business

performance must start by improving its leadership practices, which will impact its employee satisfaction, which will in turn improve client satisfaction, and which only then will boost the organization’s business performance.

### Employee Satisfaction Results

#### 1. Considering everything, how satisfied are you with your job?

	Percent Favorable	Fav	Neut	Unfav
Business Unit Juli 2006	96%	96	4	0
Rest of Orgtn. 2Q 2006	66%	66	25	9

#### 3. My work gives me a feeling of personal accomplishment.

	Percent Favorable	Fav	Neut	Unfav
Business Unit Juli 2006	83%	83	17	0
Rest of Orgtn 2Q 2006	72%	72	13	15

This is exactly what happened at the business unit, and in full alignment with the predictions of the linkage research model, it took about two

years for the investment in leadership practices and employee satisfaction to produce a growth in business performance. While it took time to materialize, this growth in business performance is significant and sustainable. It is a product of the virtuous cycle which has been set in motion through leadership – one which couldn’t have come about if John Doe had aimed simply to improve business performance or client satisfaction directly. Sustainable improvements of performance require a whole-system perspective on the organization, considering all of its stakeholders, particularly its employees and clients.

### ***Increasing Business Performance***

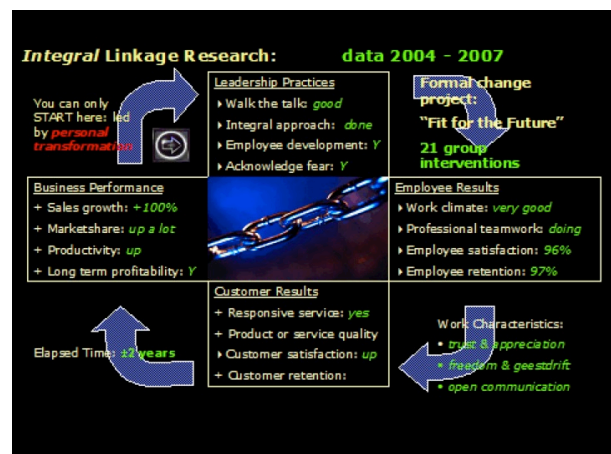
While it took over two years, the actual growth in business performance of the business unit underscores the value of a whole-system perspective. Sales and profit in the first quarter of 2007 exhibited triple-digit year-over-year growth, while headcount doubled. Moreover, the levels of creativity and inspiration that have been unleashed are generating a number of cutting-edge client services, promising exciting new market opportunities. While the elements of leadership, employee satisfaction and client satisfaction may be less visible than solid business performance, they yielded significant results as well.

## Leadership Award

In 2006, John Doe was awarded the Company X Leadership Award for his transformational work. Employee satisfaction surveys indicate some of the highest levels ever recorded, and absenteeism rates have plummeted. The work climate is characterized by high levels of pride, collaboration and trust, and its reputation within Company X is now drawing some of the best minds in the company to apply with the business unit. Clients, the missing link between employee satisfaction and business performance, are noting the transformation as well. After the business unit resolved a major crisis situation for one of its clients over Christmas of last year, the client was so impressed with their performance that it insisted on negotiating an important new contract in between Christmas and New Year's eve. It is stories such as these that are making Company X and the marketplace take note of what happened at the business unit.

## Increased Resilience

In addition to becoming more successful, the business unit also found itself better able to cope with change. By embedding the business resilience it was offering its clients into its own culture and employees, the business unit is now renewing itself proactively, rather than reacting defensively to change. Reflecting on its own transformation and the effect it had on the resilience of the business unit, the business unit is now developing an embedded business resilience offering. This offering



helps clients deal with the leadership and cultural elements of resilience, as well as the structural elements that the business unit is already addressing with its 'normal' business resilience services. Having transformed itself, the business unit is now applying its lessons learned to help other organizations become more resilient in today's turbulent marketplace.

## Principles of Success

While the risk of falling prey to hindsight bias is significant, it may nevertheless prove a rewarding exercise to consider some of the conditions of the successful transformation. With that caution in mind, here are the main principles that were distilled from looking back on the



experience: authentic leadership, act inside-out, attraction, indigenous, whole-system, and emergence. From day one, John Doe knew it was crucial to not only *talk about* change, but actually *be* it.

### ***Authentic Leadership***

The principle of *authentic leadership* can be summarized in Emerson’s point: “What you do speaks so loudly that I cannot hear what you say”. It is one thing to talk about transformation, but if a leader’s behavior is not in alignment with the espoused values, his or her lack of integrity breeds cynicism and organizational paralysis.

#### **Principles of Success**

- Authentic Leadership
- Work Inside-Out
- Focus on Attraction
- Make Change Indigenous
- A Whole-Systems Perspective
- Explore Emergence

### ***Work Inside-Out***

In contrast to top-down or bottom-up change, the principle of working *inside-out* suggests a type of change that takes the individual free will as its starting point. It is values-driven, rather than outcome-oriented, which means success is a by-product of expressing essential human virtues and values.

### ***Focus on attraction***

This relates closely to the principle of *attraction*, which promotes the actual practice of change, rather than merely preaching it. One of the principles of *Open Space Technology*, a group process for rapid self-organization around complex issues, recognizes that “Whoever comes is the right people”. The quality of a conversation does not depend on the number of people who attend it, but on the degree to which they feel intrinsically attracted to the question or purpose.

### ***Make change indigenous***

The principle of *indigenous* change suggests working with those who are already wanting to change, rather than forcing acceptance and compliance. It is reminiscent of Aikido, a Japanese martial art which emphasizes working with the other’s energy, as opposed to meeting force with force. Instead of moulding the organizational reality to fit one’s ideas of what it should be, this principle promotes seeing and accepting the organizational reality as it is, and to build on what works, rather than fix what doesn’t.

### ***Take a whole-systems perspective***

A *whole-system* perspective appreciates that outcome success is a consequence (or even a by-product) of process integrity. It requires an awareness of systemic, long-term dynamics between all organizational stakeholders (as displayed in the linkage research model outlined



above, for example). Moreover, the principle of whole-system change addresses both the ‘soft’ (values and culture) and the ‘hard’ (behavior and structure) dimensions of the organization. Finally, the organization considers its identity and strategy in the context of the larger economic, social and environmental ecosystems that it is a part of, and acts accordingly (i.e., sustainably, in alignment with the whole it is a part of).

### ***Explore emergence***

The final principle which was observed during the transformation of the business unit, was the one of *emergence*. Past behaviors and solutions cannot by themselves bring about transformation. When a new approach is needed, the organization must embark upon a collective exploration of different types of behaviors and solutions. The principle of emergence suggests a shift away from linear, predictable solution processes, towards experimentation and rapid prototyping. Small, discrete interventions generate feedback, on the basis of which another step is taken, on and on until you find the transformation has in fact taken place. Rather than mindlessly ‘downloading’ solutions from the past, an emergent approach redirects attention to the present moment and unfolding future: what is happening now, and now, and now?

### **The challenge**

While successful, the transformation wasn’t all fun and games all the time. Looking back, a number of pitfalls and challenges can be identified. One of the more unexpected ones concerns the shadow of success, which is exemplified by the popular saying of how ‘tall poppies’ get cut down. Making change that makes a difference means taking position, thereby becoming vulnerable to criticism. In a culture of cynicism and blame, the path of personal responsibility and leadership may turn out to be the more lonely one. Another challenge the ease with which a group of people working together with a common purpose can fall prey to us vs. them thinking, resulting in a number of in-group/out-group dynamics. While a good leader supports and protects employees, he or she must be ready to challenge unproductive beliefs and assumptions as well. One example includes self-righteousness, which underscores the importance of a basic attitude of humility as key to transformational leadership.

New challenges emerge as people experience their “new state of being” as “self-evident”. Extraordinary growth requires on-boarding an explosive number of newcomers, and integrating them into a culture that is often quite different from what they have come to regard as ‘normal’. The challenge is to become a ‘conscious organization’, sensing what is emerging next and responding accordingly - seeing the whole, the parts and how they relate. Another challenge is to leverage the story of the transformation to serve the rest of the organization. At this point there is no blueprint that can be copied. Transformation is a



unique process, depending on the context and learning edge of the business unit that is involved and the inner quality of the leader(s).

## Conclusion

All transformation starts with a challenge. In the case of the business unit, it was John Doe challenging himself and his team to learn to celebrate work. Two-and-a-half years and several hundreds of hours of interviews, team sessions, project meetings and conversations later, the business unit has realised tremendous improvements in the areas of collaboration, integrity, quality of service, reputation, sales growth and new product development. But most importantly, its employees have come to transform their environment into a great place to work, which means that business performance improvements are structural and sustainable. In the end, the most profound effect of the transformation is that the business unit's employees are proud of what they do; they're celebrating work. Having lived through the transformation itself, the business unit is now turning its attention towards the products and services it provides to clients, exploring how it can help others be more successful by celebrating work. It is currently developing offerings that help clients in embedding their business continuity and resilience into their cultures and leadership practices. The business unit is now more fit for the future than it ever was before.

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