

LEARNING ORGANISATION JOURNAL

ORGANISATIONAL CHANGE, LEARNING AND METRICS:

Hard and soft ways to effective organisational change

Prelude: A reminder of the history of our words

Before rushing into yet another discourse on the importance of learning how to handle change in organisations let us stand back and review the history and meaning of the words we use frequently. In this essay I use “change” to mean the movement from one stage of being to another. It is dynamic notion yet without values. I use “learning” to mean the personal acquisition of attitudes, knowledge and skills which changes their competences, understanding and ultimately their beliefs. Learning and change are, therefore, continuously and inextricably linked. They are caught in a cycle which when completed has moved the individual to reinforce existing, or develop new, values. All learning has a moral dimension whether for an individual, group or organisation. Ultimately that moral dimension will be seen by the individual and others as good or bad. Because of this there can be no such thing as “non-learning”.

Despite much current rhetoric, not all learning is good. Indeed, repeated experiences of bad learning leads to negative emotions which many who feel that all learning is good may refer to as “non-learning”. Learning involves human emotions at many levels – from exhilaration to hatred.

So learning can be dangerous for both the individual and society, which is why in most countries the Subversion Law starts with just two people getting together to create change. Learning requires an awareness of self, personal and external critical review and regular, conscious reflection.

Historically, “learning” comes from the Celtic, Old High German into Anglo-Saxon English and is found in its present personal and internalised form as early as the eight century as “leornung”. It is used in this way by St Cuthbert in his Northumbrian writings. Curiously, it is not found in such form or flavour in Latin. Indeed, I argue that one of the blockages to wider acceptance of the importance of individual learning, especially within organisations, is the long-term historical dominance of the Latin, French and Chinese notions of “teaching” as an outward giving of knowledge as a reinforcement of the status quo, backed by the idea that “learning” concerns only the passive receiving and repetition of such teaching. “Rote learning” is not learning in my terms. It is merely the repetition of pre-digested words.

Change and Learning

The classical change model assumes a logical progression from a bad state to a good one. The bad state contains the current issues and ills. The good state contains the future fulfilment of the organisation’s purpose, vision, and values through its policies and strategies. Whilst being easy to describe this seems too simplistic to me. Organisations are complex, dynamic, socio-technical systems. And like the Chinese Yin/Yang symbol they are in a state of constant tension caused by the opposing forces of stability and chaos pushing against each other. Organisational change is, therefore, about the resolution of a number of

simultaneous dilemmas the most important of which is “how do we make a necessary change without destabilising all the connected aspects of the system?” If we do that, we have no organisation. Yet if we do not destabilise sufficient of the present inertia, we have no significant change. We need ways of assessing and measuring change which tell us when we are overdoing, or underdoing, the stability factor. Alistair Mant asks what is the difference between a bicycle and a frog? His answer is that you can take both apart but only one can be put back together successfully. Understanding the "frogishness" of living systems is crucial to effective organisational change.

Rapid learning and organisational feedback is the key. Learning is the crucial variable which allows sensitive balancing by directors, managers and staff of stability and change in their organisation. In Reg Revan’s terms the learning need is the gap between what you need to know to make a risk-free decision, and what you know now. The English word “risk” comes from the Old Italian “riscare”, to dare. Learning is risky. It is about daring to be different. This is known by most and feared by many. Involving personal risk is emotionally difficult for folk. They can rationalise this especially by looking at the probability of failure, and the possible negative outcomes – it is often “a career-threatening opportunity” to be seen to be learning against the received wisdom of an organisation. Yet learning only comes through change. This is a particular issue for directors and executives of whom effective change is both demanded and expected . How can one attempt to resolve it? I have some experiences in the field and suggest an approach which combines metrics with people’s natural ability to learn.

The Organisational Capability Survey Benchmark: A metrics-based approach to rapid organisational learning

My approach has been to use the intellectual frameworks of psychology, anthropology and sociology whilst playing down their technically specific, and often excluding, language. I build on the vocabulary of the client, usually business-speak with an overlay of numbers and expected quantifiable outcomes. We create a simple framework and language with which we are both comfortable, through which we can both learn, and from which quantification is an output. Whilst “change” is often seen by managers as a “soft” process dealing with unpredictable people, the inputs and outputs from the change process often has to be sold internally to very numbers-fixated colleagues.

But I go further with “The Organisational Capability Survey” (OCS) instrument and base the structure and metrics on organisational dilemmas which reflects reality. It seeks to balance those organisational aspects over which the formal managerial systems have the majority power (e.g. pay, organisational clarity, and leadership) with those where the staff have the majority power (e.g. personal rewards, group performance and learning climate).

My approach is to conduct a carefully selected sample of interviews, both face-to-face and focus groups, which start with scoring the twelve dimensions of the survey on a “where do you feel the organisation is now?” and “where do feel the organisation must be to reach the specified change?” basis. The resulting gap analyses (they will be different at differing levels of the organisation and between sites, professions, sexes

etc) form the basis of the “organisational benchmarks” from which all subsequent changes will be measured on a regular basis. It gives also a common language of learning and change. The interviews and focus groups also have verbatim comments recorded on all the dimensions.

This is a cost-effective approach which delivers both “hard” and “soft” measures whilst also developing a simple, democratic framework and process by which all can understand and comment on the effectiveness of the change processes.

All of this is planned carefully before the announcement of the changes and the benchmarking process. It encourages people to think about, prepare for, and more importantly participate in, the changes in a more democratic way than is often found in organisations. In addition, before the changes are announced a careful assessment is made of how the stability of the organisation will be kept as the changes are rolled out. It is easy enough to announce major changes and then find a mixture of fear, anger and ignorance derail quickly the whole process. The consequent inefficiency and ineffectiveness of the proposed change process can slow an organisation down for years. So a “stability group” needs be selected before the change announcement who will have to keep the wheels turning whilst the changes occur around them. These are key people and need to be treated as such. Deals have to be done with them, and the trades unions where necessary, to both protect them from the worst of the messiness of the change process whilst also keeping them in touch with it through frequent communication.

The Change and Learning Process

Only when the stability group and the OCS benchmarks are in place are the necessary organisational changes announced formally. These will always have a mixed reaction and the emotional temperature of the whole organisation will be raised causing mixed feelings. But the size and nature of the issues to be addressed are clear, and, because the staff have participated by discussing the issues and giving them priorities at the start, the chances of their commitment are raised considerably.

However, there will inevitably be an initial drop in morale, especially in those who were not enthusiastic about any changes needing to be made. The contrasts between enthusiasts for the changes and those opposed, or at least not enthusiastic, is a dangerous mixture. It is one which directors and managers must face as the announcement will trigger a wave of emotions running from the over-optimistic, to fear, denial and outright resistance. As the changes get under way there will also be a loss of organisational productivity as a grieving process is generated, both for the old organisation and for any who lost their jobs in the changes. Those who “won” by staying on can feel levels of guilt about this which can last easily for six months.

What can be done to speed the change process? First, encourage rapid and open learning processes. The acceptance that senior managers do not know all the answers, and that organisations are not mechanistic and must adapt to fit the groups and individuals within them, is a powerful statement for the direction-givers to make. It legitimises the ability for all to learn openly from the job. Practically, what we have done is to have the managers select three or four key projects from the OCS and ensure

that they are set in the context of the organisational changes needed. Then six to eight volunteers are called for to run each project as an action-learning group. Participants form a diagonal cross section of the organisation from senior to very junior, with a director or senior manager as the action-learning group's sponsor. The action-learning group is given a time budget, usually a full day per week and a day with a facilitator per fortnight, to work on the prioritised critical organisational issues to deliver the desired change. Moreover, their learning is transparent in that they will be physically present on specified days for their colleagues to discuss the findings and to suggest ways ahead, and they present to the whole organisation once per month.

A web-based development

Rapid and open learning is crucial. We are experimenting in taking this further by creating a web-based OCS so that change can be tracked in real-time. We are developing this in two major units of a Scottish bank at present.

Paper-driven or web-based this learning approach seems to make the initial drop in the change curve less pronounced than usual. But it is no miracle cure. After some twenty five years of working in organisational change my personal yardstick is that if at any one time you have some eighty percent of your people roughly aligned with what you are trying to do, and roughly attuned emotionally with this, then you are doing extraordinarily well. Most people want interesting work for a fair days

pay and for a good boss. There will always be those who are not interested or are mildly anti. That is life. But use of the OCS and a rapid learning system can make organisational change more effective, and work constructively challenging and ultimately fun.

29 June 2005