

Change in change

The visible and invisible
aspects of organisational
transformation

RESEARCH REPORT



IMPACT

PREMISE

In our consulting experience, transformation has always been a central challenge in business. The *how* and *why* of organisational change is the focus of most of the questions we encounter and in which we find windows of opportunity for intervention.

As the speed and magnitude of change increases, it becomes imperative to identify methods and approaches that can make transformation as efficient and effective as possible – especially in the face of the high failure rates of such efforts.

In our professional practice, we focus on the 'soft' dimensions of change. 'Soft' dimensions are less procedural and more tacit, related to attitudes, personal and collective representations, emotional needs of individuals and groups, ways of learning and un-learning, and organisational cultures.

The belief that these soft dimensions play a central role in change processes has inspired and guided this research, which has been conducted with the aim of making change leaders more aware of the complexity of change dynamics.

We intentionally chose a qualitative method to gain insight into these phenomena, in order to enable people to freely tell stories of the initiatives, actions, behaviours, feelings, attitudes and cultures involved – what we call the 'invisible' elements. A special thank you to Prof. Silvio Carlo Ripamonti, Professor of Psychology of Work and Organisations at the Catholic University of Milan, for the valuable contribution made to the setting of this research, as well as for the data analysis and final processing of the documents. Thank you also to the Catholic University of Milan for providing spaces for reflection and debate throughout the duration of the project, to Francesca Bonfante and her valuable thesis, and to the Impact Italy team for supporting the collection of data, references, bibliography and experiences. Finally, thank you to all our respondents for sharing their professional and personal stories of great depth and intensity.

We hope the results of our study will shed new light on dimensions of change that have thus far been less explored and that, together, can stimulate evolving approaches and lines of intervention into one of the most studied and debated topics of all time.

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EXECUTIVE SUMMARY

The research project 'Change in Change: The visible and invisible aspects of organisational transformation' involved 35 large- and intermediate-sized companies, most of which are Italian branches of multinational companies.

The objective of this research was to identify which elements to consider when bringing about change in an organisation, in addition to standard elements such as interventions on systems, structures and processes.

Through semi-structured interviews, more than 650 pages of stories were transcribed, within which 779 textual units were selected and coded for research purposes.

The main findings include:

- Traditional visions of planned, structured and governed change lead to a perception of change as contradictory and ambiguous, in which continuous reconfigurations are necessary. Change management must learn to deal with the 'invisible' (i.e. with the irrational) aspects of change, concerning both those who experience and those who lead the change initiative.
- Whilst 'hard' and visible initiatives are often the most talked about, what respondents say really makes the difference are relational elements: listening, containment, cohesion, and relationship development. These elements are often connected to profound organisational dimensions: i.e. values, emotions and feelings – both in individual and collective representations.
- These relational elements, despite having the largest impact, are often less planned, managed and structured. Leaders seem to prepare less and improvise more, only realising the importance of these aspects when the change is over or has already begun.
- The model of a change leader that rationally plans and regularly measures the progress of change is being replaced by the figure of a 'fragile' leader, who deals with their own emotions as well as the emotions of others, including insecurity, enthusiasm, hope and helplessness. At the same time, this type of leader also manages to find the motivation and determination to drive change, even if they do not fully know how to get there.
- In the background, middle management is busy navigating the turbulence of transformation projects on a daily basis, rather than providing guidance and direction to people.
- The most frequently mentioned emotion is fear, mainly in connection to the experience of loss: loss of skills, loss of professional identity, and, perhaps, even loss of personal identity. It is clear that the tension between expectations for change, creativity and innovation from above and the emotional reactions from the rest of the organisation causes fear and a sense of self-locking and stasis. If we add fatigue to this, we can understand why catalysing new energy and personal investment on change can be challenging.

Looking to the future, we must create new approaches and skills that relate to the ability to look and listen with patience, and that understand and accommodate the invisible dimensions that significantly affect change.

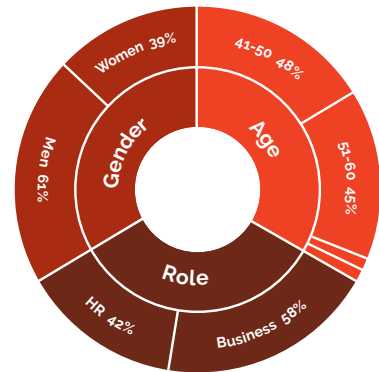


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INTRODUCTION

The literature on organisational change provides rich and detailed information on how to manage change using a planned approach. Many authors have articulated the process of change at different stages, with a crucial emphasis on supervision, especially in terms of structures and organisational systems.

However, other authors also demonstrate the need to provide space for emotional, relational and cultural dimensions in order to achieve a more realistic and in-depth view of the phenomenon¹. Our daily professional experience also reflects this.



"When you talk to others about the importance of change, most agree that it is needed, perhaps because you appear to be more powerful, skilled or informed. However, two months later, you may find that in fact nothing has changed. Between verbal agreement and concrete action, something has happened that cannot be explained rationally and that no one would dare to tell you anyway

We have chosen to look for transformation stories that reflect both the 'visible' and 'invisible' aspects of change. In this way, we aim to explore objective and subjective points of view, as well as the behavioural and emotional side of change. We hope that this will help us to better understand the dynamics, phases and complexity of change.

We spoke to senior and mid-level leaders of large Italian companies and Italian branches of international companies. We intentionally chose individuals with consolidated experience and major responsibilities in transformation processes, who were interested in sharing a first-hand organisational change experience that would expose both concrete initiatives and underlying cultural-emotional dimensions.

Respondents told us about episodes of change that were at least partially successful.

In total, we collected 35 interviews by senior leaders of businesses or HR functions (Figure 1) from the following companies:

- | | | | |
|--------------------|------------------------------|------------------------|--------------------|
| 1. ABB | 10. Edison | 19. Generali | 28. Nissan |
| 2. Ansa | 11. Eni Corporate University | 20. Grunenthal | 29. Philips |
| 3. Assimoco | 12. E.ON | 21. Human Technopole | 30. Poste Italiane |
| 4. Bauli | 13. EY | 22. Jacobs | 31. Rai |
| 5. BT | 14. Feltrinelli | 23. L'Oreal | 32. Siram |
| 6. Bureau Veritas | 15. Ferring | 24. Maire Tecnimont | 33. Smartbox |
| 7. Capgemini | 16. Italferr-Gruppo FS | 25. Mercedes Benz Roma | 34. Snam |
| 8. Coesia | 17. Fideuram-Gruppo ISP | 26. MSC | 35. Wartsila |
| 9. Crédit Agricole | 18. Freeda | 27. Nexi | |

¹ Aiken, C., & Keller, S. (2009). 'The irrational side of change management'. *McKinsey Quarterly*, 2 (10), 100-109.

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Differences between anticipatory and reactive changes

Conscious that environmental and external conditions significantly influence actions and reactions to change, we tried to observe the major differences and trends between anticipatory and reactive change. .

Anticipatory change: Change made in anticipation of potential market trends, growth opportunities (or threats), process and cost optimisation, and changes allowed by new technologies.



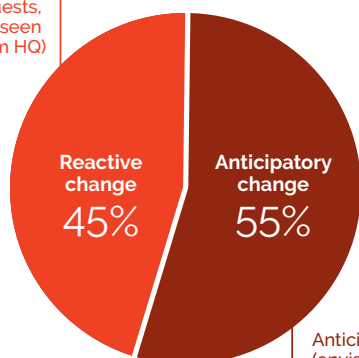
In recent years we had achieved great growth and become a very complex business. At a certain point our CEO came back from a training experience abroad and told us: "We have to change things in order to thrive. Clearly the current model is no longer capable of sustaining our size and complexity." Great! But... where do we start?

Reactive change: Change made in response to sudden, unexpected events that originate from outside the organisation (e.g. from customers, company headquarters, or scandals).



We went through a time of great difficulty, which did involve some redundancies. The company was taken on by a new management team, sent by the shareholder, who told us they would relaunch the company. What they didn't tell us was that if this failed then the company would fold.

Reactive change
(spurred on by unexpected
events like scandals,
client's sudden requests,
or unforeseen
decisions from HQ)



Anticipatory change
(envisioning changes
in the market, potential
threats, optimisation
or tech innovations)

The research methodology

As a frame for our interviews, we chose to use the 'classic' model created by Kurt Lewin and refined by Edgar Schein. This model describes the process of change through three stages:

1. 'Unfreeze': destabilising the existing organisational equilibrium
2. 'Move': setting up the change initiatives
3. 'Refreeze': making the change permanent by establishing new habits, concepts and identities

Although we were aware of the limitations of linear phases and models, their use allowed chronological reflection. In this way, we explored what favours and sometimes hinders change, both in its 'visible' components (made by actions, initiatives and reorganisations), and in its 'invisible' components (made by feelings, emotions and underlying organisational cultural dimensions).

Observed dimensions

Step 1: Balance before the change

- Behaviours, habits, methods
- Attitudes, feelings, mindset before change

Step 2: Actions and reactions during the described change

- Roles of the protagonists, behaviours, initiatives, strategies and actions to implement change
- Feelings, needs and mindsets of the interviewee and other involved parties/stakeholders (known to interviewee) during the described change

Step 3: New balance after the change

- Behaviours, habits, methods
- Attitudes, feelings and mindset in the final stage of change

Through semi-structured interviews consisting of 14 questions, we collected about 650 pages of text and isolated 779 textual units (sentences and phrases) relevant for our research objectives. Each response was coded by identifying the most common themes.

The codes were assigned to each unit of text by an experienced team of coders, who coded autonomously and reconciliated in case of disagreement.

RESULTS

In this section, using our respondents' stories, we describe the main visible and invisible dimensions relating to each stage of change, integrating the evidence with our critical reading in order to outline future areas of reflection and action.

PHASE 1 The balance before change

Visible dimensions

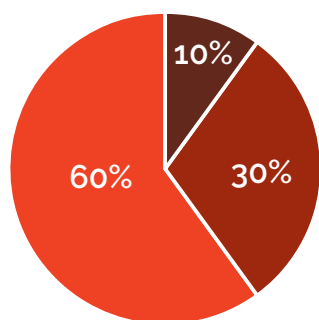


Figure 1
Distribution of visible dimensions

- *Working in silos, time pressure, and a short-term view*
- *Ineffective procedures and practices*
- *Dissatisfaction and conflict*

Working in silos, time pressure, and a short-term view

Most of the interviewees characterised the pre-change situation as having a strong focus on the operations of their own restricted area of responsibility, accentuated by time pressure on results and a short-term outlook.



When asked "have you talked to X and did you consult with Y?" the answer was always "No, as I must hurry up and manage my own business". There was no open dialogue among colleagues.

Ineffective procedures and practices

Another relevant aspect is the presence of organisational procedures and practices that limit the effectiveness or efficiency of organisational action, for example, rigid, hierarchical, unclear or complex decision-making chains.



La propensione a fare sharing di conoscenza e comunicazione era molto bassa. Le informazioni rilevanti erano chiuse, segregate e difese arcignamente, di rado messe a fattor comune.

Dissatisfaction and conflict

There was also dissatisfaction or open conflict among team members or between different units.

Invisible dimensions

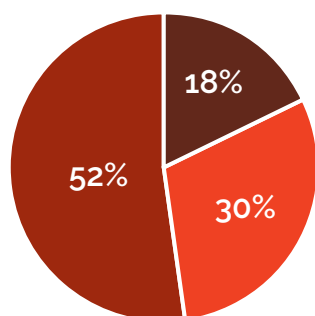


Figure 2
Distribution of invisible dimensions

- Resignation to present condition and risk aversion
- Idealisation of the in-group and complacency
- Attachment to the role and specialisation

Resignation to present condition and risk aversion

The most frequently mentioned aspects are acceptance of or resignation to situations and a lack of risk-taking, along with a sense of powerlessness and a perception of complaints as the only way to tackle problems.



The mentality was: "We are creating an unnecessary problem... we have always worked like this and it has always worked well. So why should we change and risk causing other problems?!"

Idealisation of the in-group and complacency

This is the tendency to idealise one's own group of belonging, showing complacency, and avoiding disrupting personal relationships, even if they have become obstacles to development.



The propensity to share knowledge and communicate was very low. The relevant information was closed, segregated and defended. '

Attachment to the role and specialisation

Another aspect is an attachment to one's own role and specialism as a source of power, realisation and competitiveness.

Differences between anticipatory and reactive changes

Anticipatory: We frequently found rigid operational practices and compartmentalised units, all of which fail to look beyond immediate, day-to-day business.

Reactive: We frequently found self-focused attitudes, characterized by smug satisfaction, an inward-looking viewpoint, and a failure to see what is happening externally.

Further reflections

Short- or long-term vision: where is the balance?

Organisations with a short-term outlook tend to focus on everyday operations, and therefore have no space to search for new ways of operating. Especially in anticipatory change, this often provokes dramatic reorganisation and evolution. Finding ways to balance short- and long-term visions seems essential for finding the space to create and cocreate ideas and strategies to build a successful future. The challenge is how to devise a long-term strategic vision from one that is presently full of short-term commitments.

The value of the status quo and the ability to discern between what to keep and what to change

Rules that underpin behaviours are often related to engagement with current conditions or work methods, as well as with idealisation of the current in-group or acquired knowledge. This also creates the 'status quo', which often obstructs awareness of the need for change. Understanding what the unspoken rules that govern organisational action are, and how to disrupt them without destroying cultural identity and traditions, requires the right balance of challenge and care.

PHASE 2 Actions and reactions during the change

Visible dimensions

Our findings confirm the most established theories around the topic of change². However, in addition to well-known initiatives and actions, we also found new points of view that refine and integrate the areas of intervention that need to be monitored in order to lead change effectively. These ideas are listed below in order of frequency:

Very frequent actions

LEADER EXPOSURE Among the most mentioned action in our interviewees' stories is the role played by change leaders. What appears to be key is a convincing and constant presence, repeatedly conveying the message: 'we cannot go back'. Another highlight is the leader's actions, which can often disrupt normal organisational rituals and rules. An example would be a CEO that goes out in the field, listening to people's point of view and asking their opinions about what works and what doesn't.



My role as GM was to be with the people. I stopped doing most of my daily things and dedicated a lot of my time to visiting operational staff and opinion leaders, where the business was done every day, and asking them "how did it go today?"

DESIGN AN OVERALL ARCHITECTURE FOR CHANGE Change design is frequently mentioned and is an important aspect of the change process, often supported by external consultancy, collective engagement and consultation initiatives (such as 1:1 interviews, surveys, focus groups, etc.), and the prototyping and management of multiple initiatives (sometimes not consistent with each other). Interviewees also often mentioned the identification of KPIs to measure progress.



We had to make everything run parallel – all actions, processes, communication projects, HR tasks, initiative development, assessments, finding a communications platform, aligning the reward system... no one understood anything anymore.

² Kotter, J. (2012). *The 8-step process for leading change*. Kotter International.

REORGANISATION OF UNITS, ROLES, PROCESSES Equally present in our interviewees' stories are all the organisational and reorganisational aspects (structures, roles processes, incentive systems), that create the operational framework (or the 'hardware') on which the change process and the renewed system must operate.



We made sure to maintain consistency between the changes coming from the centralisation of processes and those coming from the IT systems. We had to make sure that those who had to manage the new process didn't find themselves without IT tools to support them!

COMMUNICATION Next, we have communication behaviours, characterised by transparency and openness about the causes, effects and risks of change. Cascading initiatives from the top-down is a prevalent way of communicating, emphasising vision and the end-point of change. Surprisingly, we rarely found examples of communication about short-term results.

Moderately frequent actions

TOP TEAMS The importance of creating a top cohesive team is often mentioned. The team becomes the laboratory in which the strategy is refined and the priorities of the change agenda are decided. One of the first actions of any change leader is to build their team. Sometimes this can be composed entirely of new people, but more frequently this can be done by integrating different roles and expertise from around the business. Top team development interventions were rarer than expected, which we found surprising in light of how important it is to have a cohesive top team leading change and role modelling for the rest of the organisation.

STAKEHOLDER AND SPONSORS The ability to identify sponsors and to scan the 'field forces'³ at play during change is considered very important. Careful, continuous and conscious stakeholder management has also emerged as particularly important, especially in the context of multinational companies in which managing relationships and building trust with company headquarters is critical.

LISTENING, SUPPORT, AND CONTAINMENT Listening and supporting others is vital, as is the ability to maintain successful relationships with people through negotiation, reassurance, and allowing space for negative emotions and psychological containment.



I had to learn how to respond to a human concern with human reassurance... the important thing is not to respond to a human concern with a business reassurance, as that will ruin your exchange.'

³ Schein, EH (1996). 'Kurt Lewin's change theory in the field and in the classroom: Notes toward a model of managed learning.' *Systems practices*, 9 (1), 27-47.

SKILLS UPGRADE AND UPDATE We also find skill renewal to be fundamental. Change involves the need to do different work or to work differently. This is done both by practising new skills or hiring people with new skills. Interestingly, we found that introducing new skills through innovative training methods was often used as a meta-message from the organisational decision makers: a reflection of willingness to change and to challenge the status quo even through new topics and methodologies.

Shared with low frequency

STRATEGIC USE OF MIDDLE MANAGEMENT Rarely mentioned in our interviewees' stories, this action includes the strategic enhancement and use of middle management as a lever for both internal communication and as a role model of positive change at an operational level.



Figure 3
Visible dimensions during change

Invisible dimensions

From the point of view of peoples' inner change experiences, we have identified two different roles with respect to change: change leaders and change followers or employees.

Leader of change

The role of the change leader is crucial. However, the idea of a traditional change leader – focused on rational planning and progress monitoring – has been replaced by a more 'fragile leader'. This leader has the ability to acknowledge their emotions as well as the emotions of others, and to manage them by connecting with the deeper and inner needs of the organisation.

EMOTIONAL AMBIVALENCE We often saw a wide range of emotions, such as ambivalence, loneliness, elation, frustration, energy, optimism and pessimism.

FRAGILITY We also noticed equal amounts of feelings of insecurity, especially in the early stages of change. These feelings included distrust, self-doubt and in some cases, regret in having initiated and/or endorsed the change process. We also found an impatient desire for confirmation and positive feedback.



If I'm honest, I had constant doubts, questions and uncertainties, which I felt at any time of day, week or year. When I made these changes I knew I was taking on a big responsibility but I was not sure it was the right choice.

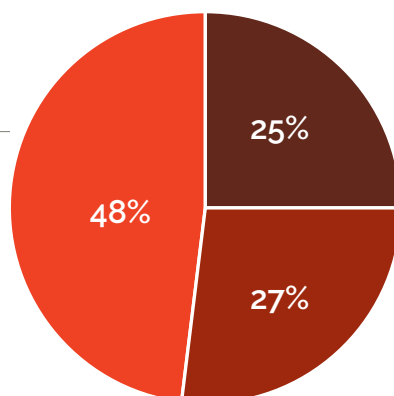
DRIVE Change leaders also show motivation-related feelings, such as determination, clarity of purpose, sense of autonomy, and a desire to take responsibility for change.



I was extremely happy to see my contribution, and to be able to say that I made it happen. I recognised that people were feeling better – I could see the change with my own eyes. This energy then led to other ideas and I felt a great sense of freedom and possibility.

Figure 4
Change leaders

- **Emotional ambivalence**
Alternating positive and negative emotions
- **Fragility**
Insecurity, regret, impatience, mistrust
- **Drive**
Determination, sense of purpose, sense of responsibility, sense of power and autonomy, irreversibility of change



Employee

Those who experience the change – as opposed to leading it – can go through a similarly varied range of emotions.

RESISTANCE Resistance is featured in more than 40% of the stories, mainly due to the fear of losing identity and/or skills and mastery. The fear of incompetence and of learning a new skillset leads to uncertainty about future job satisfaction.



At some point, the thing I felt was emerging in people's mind was a sort of loss of identity and almost a disappointment for being challenged. It was like hearing: "How come? Everything we've done to date is not good enough anymore?"

CONDITIONAL SUPPORT Similarly, support seems to depend on the capability of the organisation to respond to three types of needs that people express during change: to be valued and to have an active role; to understand the meaning and reasons for change; and to have a structure in which roles and functions are clearly delineated.

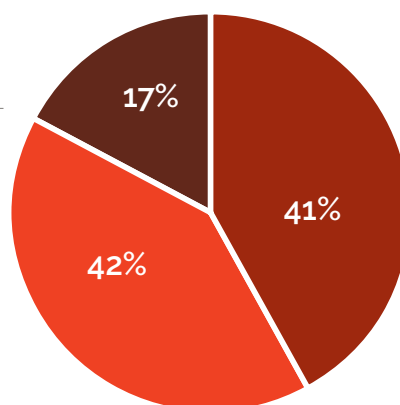


I saw colleagues who were struggling with the technological challenges being helped and supported by younger colleagues. They were almost surprised! This has had a huge generational effect, as older colleagues have started to look at their younger counterparts as sources of help. This was an incredible boost.

OPEN SUPPORT Sometimes we saw explicit and immediate support for the change, often in the form of relief at the prospect of change. However, this was less frequent than other feelings that were experienced.

Figure 5
Employee

- **Resistance**
Fatigue, cynicism and the fear of losing identity and/or skills.
- **Conditional support (needs to be satisfied)**
Reassurance about skills, roles and change direction, and encouragement to be proactive.
- **Open support**
Relief and identification.



Differences between reactive and anticipatory changes

Anticipatory: In this type of change, we heard a lot about stakeholder consultation and engagement, which is useful in building participation and consensus within the organisational population. In anticipatory change, it is more common to see leaders showing a desire to take on responsibility. Meanwhile, for those who live the change, fear of a loss of professional identity is more typical.

Reactive: In this type of change we often saw more top-down communication, perhaps responding to the need to take quick and immediate action. Support and listening are also frequently provided behaviours, in an attempt to contain the bewilderment, fear and the need to reorient and acquire new skills.

Further reflections...

Plan to manage the invisible

In the stories that our respondents have shared with us, 'invisible' dimensions have emerged as highly significant, both in terms of frequency and impact. At the same time the attention and commitment that listening, emotional support, and quality dialogue require often appeared poorly managed and unexpected. We heard stories that talked about a management mode based on contingency, sometimes perceived as a forced improvisation, requiring unforeseen adaptation. An ability to expect and manage the unpredictability of relationships with others seems worthy of further focus and reflection.

The unrecognised value of analysis

We were struck by the lack of awareness about strategies and methodologies to analyse the context of change, as well as its dynamics. Understanding the functional and dysfunctional dimensions of the status quo, scanning organisational culture, interrogating the needs of the organisation, and replaying this all back in an ongoing playback, are actions considered supplementary to the main focus of pushing transformation initiatives. It seems that this sense of urgency and drive towards results leads to an approach based on trial and error. This often results in lower engagement than leadership teams would expect.

Leadership and fragility: allies or enemies?

As well as determination and drive, we also see leaders in change experiencing feelings of ambivalence, anxiety and fear. In our view, we believe that such experiences do not have to be obstacles to leadership, but instead can be vitally useful in tuning into the fears and feelings of those who undergo the change, allowing the development of an empathic relationship capable of grasping contradiction. Conversely, denying or hiding fears seems to lead to a lack of real commitment, especially by change leaders, who are likely to be the first to avoid transformations that involve losing control, rebuilding confidence or decision-making in contexts of ambiguity and turbulence.

Middle management: the real absence

If the role of the change leader emerges as crucial, middle management appears weak and operating in the background, more committed to following the turbulence of transformation projects than providing guidance and direction for people. Middle management, albeit quite absent in the stories we collected, is in fact fundamental to engaging with and listening to employees and implementing change. Low involvement of intermediate managerial levels is likely to result in an overload of leaders further up, who risk being overwhelmed by the load of activities that change brings. Middle managers are in the crucial position of supporting the transformation from the bottom, so preparing them for change is key. In our opinion, there is space here for the development of a different kind of change leadership.

Fear, error culture and innovation: a reconciliation

The most frequently mentioned emotion in organisations is fear: fear of making mistakes, fear of not being acknowledged, fear of facing the unknown. Furthermore, these fears are mainly related to the experience of loss: loss of skills, loss of autonomy, loss of professional and personal identity. What we identify here is a tension between the expectation of creativity and innovation expressed by those driving the transformation, and the fearful feelings – often highly limiting – held within the workforce. This tension is exacerbated by fatigue, which is very common during change processes. It becomes essential to identify methods of intervention capable of providing a better balance of challenge and support, as well as generating organisational cultures in which error is truly valued within daily practice and not only in official declarations.

PHASE 3 Balance after change or 'change in progress'

Visible dimensions

When asked about the new practices or ways of working after change, most of our respondents could not identify a precise moment when the change ended. Often, they reported that they were now beginning to see some change. This seems to speak to the slow and iterative nature of organisational and behavioural change. At the same time, we also noticed a perceived imbalance between the efforts invested and the outcomes observed.

CROSS-FUNCTIONAL INITIATIVES We see new, positive initiatives and an enhanced ability to cooperate with different functions and roles across the organisation. Conflict decreases and new roles based on facilitating internal processes and relationships emerge.



Now, people tend to seize job opportunities in a different way: they tend to look outside, which does not always mean they change work, but maybe they engage in a new project, in a cross-functional initiative... there is certainly more activation.

EFFECTIVENESS OF ORGANISATIONAL PROCESSES A gradual clarification on rules and processes emerges, which allows for more transparent operational functioning and more efficient organisation.

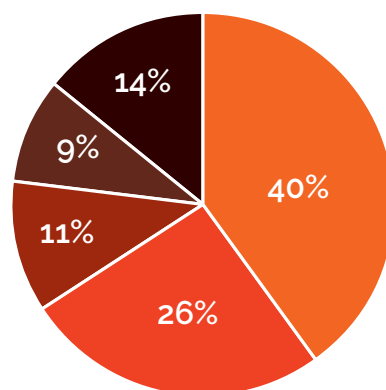
CO-EXISTENCE OF OLD AND NEW WAYS OF WORKING We sometimes found unavoidable situations in which a conflicting combination of old and new ways of working caused confusion during the transition phases, which can occasionally last for a long time.

CUSTOMER CENTRICITY There appears to be an increased ability to develop customer centricity, with a shift of attention from internal solutions to the needs of the customer. This is also supported by a type of externally-facing attention directed outside of the company, which is useful in creating bolder proposals and introducing innovation.

INTERNAL GROWTH Finally, the ability to develop internal staff and resources increases, avoiding the need to hire externally. This is due to a renewed tendency to evaluate and develop people with more explicit and defined criteria.

Figure 6
Phase refreeze: distribution of visible dimensions

- Cross-functional initiatives
- Effectiveness of organisational processes
- Co-existence of old and new ways of working
- Customer centricity
- Internal growth



Invisible dimensions

AMBIVALENCE BETWEEN PAST AND PRESENT We found an ambivalence between novelty in the present and nostalgia for the past, especially if the latter was rich in positive experiences.

We have moved from an attitude of "I will block and slow the change" to an attitude of "I'll accept it", with new energy and less obstruction. Nevertheless, there still is, especially for those who remained in the old structures, a nostalgic attitude involving some dissatisfaction.

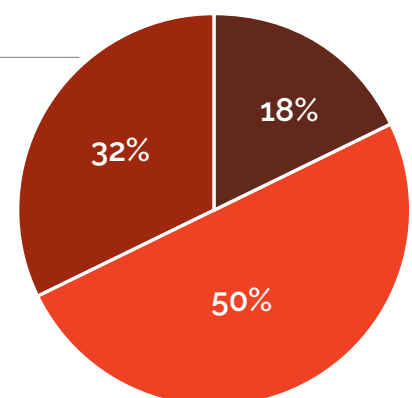
PARTNERSHIP AND EMPOWERMENT We often found increased perspective and wider organisational awareness, visible through stronger interest towards cross-functional collaboration and a greater propensity to accountability.

Today, for instance, it is no longer popular not to permit an employee to change role or division. In the past you would claim your own hierarchical right, but now the context has changed.

EXPERIMENTATION AND RISK-TAKING These attitudes are supported by a renewed sense of belonging in the organisation and greater confidence in risktaking – advancing proposals with an experimental approach and perceiving error as an opportunity for constructive thinking.

Figure 7
Phase refreeze: distribution of invisible dimensions

- Ambivalence between past and present
- Partnership and empowerment
- Experimentation and risk-taking



Differences between reactive change and anticipatory change

Anticipatory: In this type of change, it is more common to see a coexistence between old and new operating practices. This is sustained by an ambivalence caught between nostalgia for the past and the need to make things work in the present. Ambiguity arises from the fact that what appears to be necessary for the good of the organisation is contradicted by the actual functioning of everyday organisational practices.

Reactive: More often we see curiosity towards external stakeholders or parties, through inter-functional projects, enhanced internal cooperation mode, or revitalisation of customer relationships.

Further reflections...

A change that never stops

As hypothesised, often change does not have a fixed endpoint, but rather is a dynamic process, characterised by an increased ability to broaden perspectives, skills and the ability to manage change. We cannot talk about the 'end of change'; instead we must think of it as an ongoing evolution. Some call this stage a 'refreeze,' but in order to give it more dynamism and fluidity, it might be more appropriate to rename it as a 'dynamic refreeze.'

Resilience in constant change

One of the most frequently cited skills in change stories is resilience. When the change never ends, when you have to get back up after encountering difficulties, and when frustration is a constant, it is important that everyone – not just the leaders – is equipped with the ability to cope with turbulence, all whilst maintaining cognitive and emotional balance.

Do lots and do it the right way: the dark side of speed

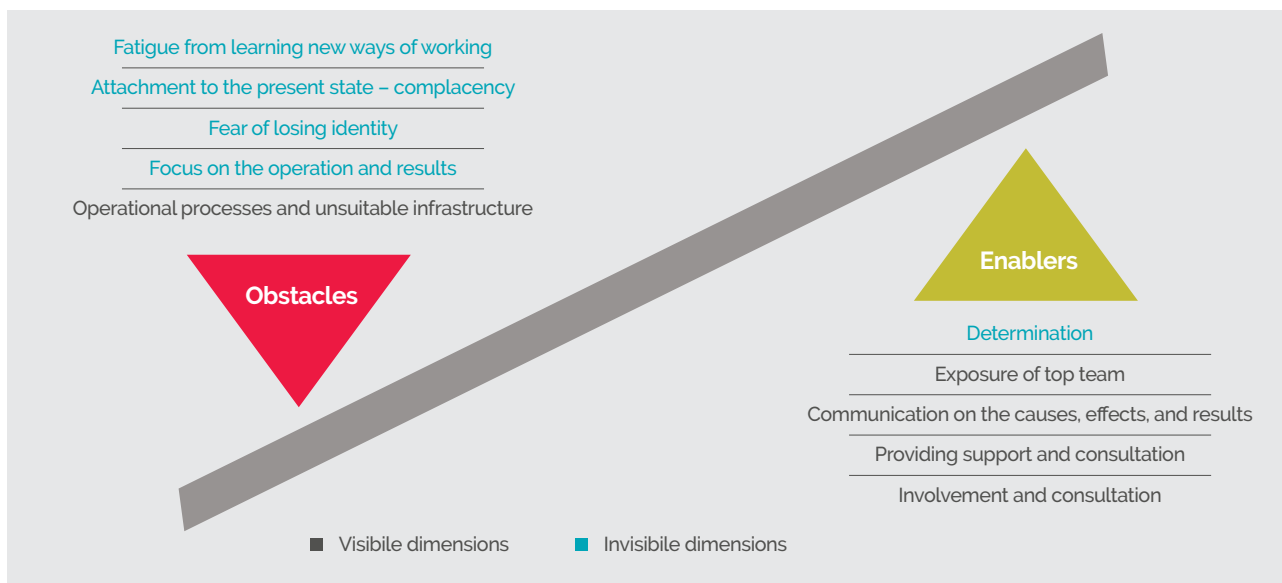
The research highlights a tendency to launch a large variety of initiatives, often too many compared to the organisation's capacity. Sometimes this occurs without taking the time to collect, playback, and review signals and indicators that change is really happening. In a turbulent market leaders are called upon to lead in volatility. However, we wonder whether the trend of launching (too) many change initiatives before doing a comprehensive review is a response to the external environment, to internal circumstances, or even to the change leaders' needs.

Agility versus structure: the risks of nostalgic impulses

While being aware of the need for an agile approach to organisational processes, our attention should also be on ensuring that operational tools, systems and structures are usable when change is initiated. In instances of operational tools malfunctioning, it takes no time for diffidence to feed nostalgia and to lead back to old ways of operating. Our research highlights a preference for a few well-functioning tools or processes.

ENABLERS AND OBSTACLES

Finally, we asked our respondents what they thought the fundamental dimensions to enabling or impeding change were.



Among the enablers, quality of leadership is essential. Those driving change can make a huge difference through determination and the ability to enter into deep, attentive relationships, supporting others even when they don't know how to ask for it. Similarly, the presence of an effective leadership team is another critical enabler. Their ability to demonstrate and sponsor change – even breaking the rules and acting as role models – is important, along with constant and transparent communication on the short-term results of change.

Initiatives aiming to involve others in change are also important. Often these are done with the help of external consulting and aim to support people in acquiring new skills and enabling them to feel capable and in control of the organisation's evolution. In particular, digital skills were repeatedly mentioned as key to transformation processes. The opportunity to be heard, to share ideas, to understand, and to contribute personally gives people an active role in the change process – sharing the responsibility of its outcomes across the whole organisation.

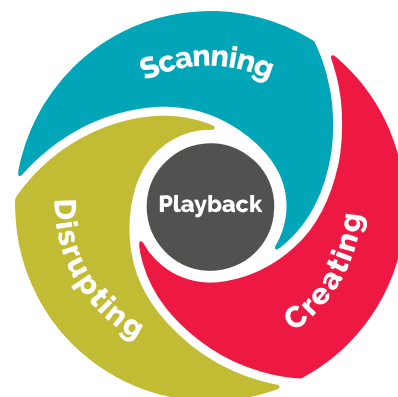
On the other hand, in terms of obstacles, fatigue is the most limiting factor, both for the organisation and its change leaders. In the short term, it reduces space for learning and capacity for innovation, and ultimately impedes agility and the organisation's ability to sustain a high rate of transformation. Similarly, another obstacle is the widespread belief that the current situation could not be improved, which leads to a short-term focus limited to day-to-day operations. This hints at the importance of an initial phase in which the reasons for change are made explicit, including the risks and consequences of ignoring change.

When change is sustained by operational infrastructures, we should not underestimate the need to promptly establish well-working tools and processes for change, minimising opportunity for reverting to old ways of doing things. We noticed that, while respondents cited visible dimensions more often when thinking about enablers, it was the implicit and invisible dimensions that were more prominent among the obstacles. This suggests that a minor oversight of these dimensions leads to greater resistance in the action phase. This trend opens up new future intervention streams that can encourage us to stop, observe, listen and welcome the true hidden forces that are critical to the success of the transformation process.

HOW TO DEAL WITH CHANGE: IMPACT'S PROPOSAL

From our results, we perceived a strong demand for supporting people, at all levels of the organisation, in learning new work or learning how to work differently. This is the root of change.

What emerges from the study confirms and enriches our consulting practice around change, which we divide into four major types of action that are necessary for a successful transformation process.



- **SCANNING** Look with new eyes at the visible and invisible aspects that coexist in the organisation; identify and collect new and existing data; consultation, listening and engagement are the key actions of this class. This allows one to learn from the past, interpret the present, and anticipate the future through a 'critical' approach that is both in-depth and multifaceted. It is dangerous to attempt a shortcut or to simplify this complex phenomena.
- **CREATING** Involve people in co-creating change, rather than applying default top-down strategies; create collaborative spaces to share problems and solutions; enable 'change agents' ready to actively contribute to the process; and generate meaningful conversations to support the evolution of values and their representation.
- **DISRUPTING** Identify and take actions – concrete or symbolic – that challenge the status quo, break dysfunctional rules, and motivate people to leave their comfort zones and feel the difference, importance and urgency of change.
- **PLAYBACK** Create space for reflection, away from pressure and urgency, to maintain and enable organisational learning processes. Structure monitoring systems for both hard and soft dimensions, be ready to redirect processes and make changes to the pipeline, and train the organisation to learn, adapt, and respond to constantly changing needs.

These four areas can take different forms and have different actors and recipients, depending on the challenge, the context of change, and the culture in which the change happens. However, our daily practice suggests that the correct combination is to create new ways of working and learning, taking charge of explicit and implicit dimensions and organisational and relational elements.

In our vision of organisational systems as living organisms, the terms to learn and to change are synonymous. This equivalence helps to reverse the perspective, from a view in which there is someone who will change and someone who will have to be changed, to one in which everyone in the organisation changes and learns together.

Consequently, there is a need to move on from linear representations of change in order to accommodate more faceted visions of leadership that spreads across the organisation and extend to all levels and all contexts.

This leadership learns to become 'fragile' and capable of tuning in to implicit needs and signals in the organisation, using them to explore the deeper purpose of the change, to spread meaningful conversations, to reflect, and to plan an ongoing transformation together.

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