



What makes a change 'transformational'?

I recently went along to a Round Table event for Transformation Executives hosted by Annapurna Change. There were about 20 of us discussing the inevitability or otherwise of Transformation Programmes losing momentum.

As the conversation around the table developed, it became apparent that we had very different views of what we meant by 'Transformational Change'. According to the wiki dictionary a Transformation is '*a marked change in appearance or character, especially one for the better*'. Well, fine, but surely this could describe any large change programme.

Am I being pedantic? Do we need to define 'Transformation' as being distinct from 'A Big Change'? Does it matter if we have some grey areas about what makes a change Transformational? The change profession is, of necessity, a broad church and so perhaps different interpretations are healthy. Who really cares, provided that it happens?

And, of course, this is why we need definitions. If we are not clear what we mean, how do people know 'it' has happened? Words have power – they need to convey meaning and so a definition of what makes change Transformational is, at the very least, helpful. So, this article sets out three principles that I suggest are essential for a change to be defined as Transformational. It describes each principle and then reflects on what these mean for Transformational Change professionals.

Principle 1 - Transformation Changes Whole Systems

The objective of many change programmes is to improve the way that services are delivered. This might be through changing technologies, processes, infrastructure, models of ownership and organisational design. While the scale of these changes can be very large, they are not necessarily Transformational. For a change to be Transformational, I suggest that wiki's '*marked change for the better*' needs to be extended to encompass the whole system of those affected by the change, including customers, partners, suppliers. Also, don't forget other often overlooked groups (there are some examples below). In short, Transformation should change the experience

of all those within the system, rather than just the commissioning organisations part of it.

As an example, think about what happens when services move online. Of course, it affects your customer services team, but also it may affect suppliers, distribution channels, existing service users, potential new service users. And also consider what it means for your competitors, the local and national economy? If people are accessing your services differently, how does it affect the local community, traffic volumes and flows? What does it mean for people's aspirations for employment, their education and career choices?

What does this mean for change professionals?

Changing the whole system requires the change agent to develop a much wider coalition of people who will be engaged and contribute to the change. There is a need to see the whole and develop the new skills of noticing and engaging others to notice what is happening across the system.

The change agent then builds these skills in others and helps create conditions in which the unexpected can happen. While one might argue that this is simply good stakeholder management, the nature of the conversation moves the change agent away

from the busy management of complex processes and delivery towards a conversation that seeks to understand and nurture relationships and engagement within a complex adaptive system.

This has the effect of requiring the change agent to redefine their place, taking a role in support of the wider system, not simply taking a brief from the commissioning party. They need to adapt to move from a directive, advisory style to one which is more collaborative. It requires enhanced facilitation, engagement, coaching and contracting skills, in addition to the commonly held technical know-how that comes from managing programmes.

Principle 2 - Transformation Supports Evolution

If we accept that Transformation seeks to change whole human systems, then the need to support evolution is inevitable. Human systems are complex, dynamic and so, notwithstanding our best efforts, they remain very difficult to predict. The longer the time span against which one seeks to Transform, the more likely that our vision for the future at the start will be out of step with what the system needs as we reach various points in the future. Programmes have adopted 'agile methodologies' to accommodate this to some degree.

While agile approaches provide a way of developing and delivering products more quickly and flexibly, it does little to create the conditions where businesses see change as an evolutionary rather than transactional process. Evolution requires businesses to continuously revise their change outcomes to reflect the dynamic nature of the community

they serve. Our round table conversation indicated that most change conversations are about what will be delivered, by when and for what cost, and how the programme can manage benefits and costs. In short, agile methods do not support systemic evolution, but it can react to it.

What does this mean for change professionals?

If we are to accept that any Transformational approach needs to support evolution of the system and its needs, then we need to ask ourselves if our current approach is suitable to deliver this evolution. We need to build upon and beyond the principles of agile change to redefine the way that Transformation programmes align and adapt to a future world – one that doesn't exist at the time that change is commissioned.

Many, if not most people involved in change work to a model in which operations and change teams run in parallel until the point of delivery, making decisions that are corporate rather than systemic. This approach is deeply embedded in most organisations, but for Transformation to occur, space to have evolutionary conversations now has to be created. Change agents need to help close the gaps between change, service implementation and the community they

serve. Just as strategy has become shorter term and change more agile in its execution, we need to develop the ability to create the conditions where trends in consumer or community behaviours are seen, heard and fully integrated into future design through Transformation. The change agent's role will increasingly be to share accountability for future strategy decisions that inform change, providing insights from the whole system in support.

Principle 3 - Transformation Redefines Value

If we accept that Transformation is by definition evolutionary and systemic, defining value in absolute financial or operational performance terms at the outset becomes unreliable and largely irrelevant. Instead, we need to find ways of establishing the anticipated return on investment against much wider and deeper value propositions, linking change to the essential purpose of the organisation within the wider system. This has a number of distinct advantages:

Firstly, it requires the organisation to determine the investment against its future value in the system, not simply its own balance sheet. This allows for value in change choices to be more fully understood. For example, refurbishing retail outlets with an anticipated payback of five years if many are expected to close in three may not be a great financial proposition at face value. But what if the refurbishment allowed closing outlets to be repurposed more quickly, increase sales in the medium term, maintain high street footfall for other businesses and improve the retailer's reputation and corporate social responsibility ambitions? Based on this systemic value proposition a different conclusion might be reached with the potential for funding elsewhere in the system to achieve shared purpose.

Secondly, it enables the system as a whole to understand all of the different needs so that

the wider system can decide what they need and how to resource those needs in the short, medium and longer term. In doing so, it ensures a broader and deeper sense of commitment to the changes that transcend organisational boundaries.

Thirdly, it is simple and authentic. Organisations spend a substantial amount of time and money on working through structures, processes, organisation designs, target models, policies, strategies and plans. While these have a place, all too often the simple question 'how do we add value to the common purpose we share?' is lost.

What does this mean for change professionals?

A greater focus on the value proposition requires the change agent to consider how the organisation's purpose is being achieved through Transformation. In doing so, they need to view the organisation's purpose through the lens of the human systems that collectively work to this goal.

This puts the Transformational change agent into a position where they see the opportunities for alignment to shared purpose in ways that are not immediately apparent to others. Take for example the issue of unpaid volunteers and community groups working in roles formerly delivered by local government employees – keeping

libraries open for example. In many authorities HR departments treat such people as 'unpaid employees'. However, there are many differences in the psychological and commercial contracts that are not recognised in this approach and so misplaces volunteers within the wider system.

Traditionally, any expectation that the change agent would propose changes in HR policy would be considered beyond the remit of the

change agent but, as it impacts upon the wider value proposition for the volunteer group, it will fall to the change agent to facilitate some resolution. This broadening of the Transformational change agent's role will require sensitivity and support, particularly where operational roles are being discussed. It positions the change agent more closely with the operational and executive leadership cohorts.

Some final thoughts

The extent to which these three principles are needed for a change to be deemed Transformational is of course, itself dependent upon Principle One (do they cover the needs of whole system). As such, this outline is designed to promote discussion and movement, not establish some irrefutable truth.

Perhaps we, as change agents, more than any other profession owe it to ourselves and our clients to continually seek to evolve our practice to reflect the way that the systems we are working within have evolved. So, ask yourself how the human systems we are working within have evolved since the 1990s when Prince 2 and Kotter's 8 Step Model were developed. We need to be open to changing to reflect the systemic needs of the 2020s.

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