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How Changing Mindset is the Prerequisite of Any Organizational Change

A constant feedback from organizational change initiatives that are deployed in project organizations is how much the success of the change depends on changing the organization mindset first. What is the mindset that is needed for Large, Complex Projects? What is the best way to introduce this mindset change?

Why organizational change fails when the mindset does not change

Organizations launch with great fanfare large-ranging organizational change programs. It can be to respond to the growth of the organization, to turn around the organization after some failures, to changes in its activity pattern (e.g. evolving into larger, more complex projects), new organization strategy or simply competitive pressure from the market.

Too often these organizational change projects are launched without considering that the current mindset of the organization is inappropriate to the new situation. People might be entirely cost driven whereas the new organization requires business acumen, investment and entrepreneurship. People might be focused on the technical side without spending too much effort on the commercial or contractual side, whereas the new organization or environment requires a high level of contract management attention, etc.

Changes that are brought in without changing the mindset first have no chance of being properly implemented in depth throughout the organization's operations. They will be most likely resisted by the people, and the organization, even on an unconscious level.

How to change an organization's mindset

The various ways of changing an organization's mindset can be more or less intrusive and violent. For example, in turnaround situations, senior executive management is often almost entirely changed. It is a way to change the organization's mindset at the top. In other situations a change in mindset might be created by creating a new entity that will be exclusively in charge of the new market segment, creating a specific way of doing business that is different from the original organization. In some other instances still, organizations will seek to instil progressively a change of mindset through ambitious cultural change programs.

To drive a change throughout the entire organization, in all remote entities and at the execution level, there is no other way than applying with energy a combination of the following:

- Behavioural changes,
- Processes and systems changes.

Both changes need to be done in combination; it is not possible to achieve a mindset change using only one of these vectors. Changing the organization's systems or processes will coerce people into formal compliance but will not change their mindset. Seeking behavioural change without changing systems and processes will cause relapse on the medium term.

Implementing behavioural changes

Implementing behavioural changes requires a specific program that is focused on people's actual behaviours. Because it is such a soft issue that requires feedback to individuals – always a tough emotional action, it is often overlooked by organizations. To understand how difficult it is, look at how few organizations are ready to

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let people go that deliver results through an inappropriate behaviour that is not aligned with the organization's values and expected style.

Behavioural change requires first absolute clarity of the

organization's values and what are acceptable and not acceptable behaviours.

Behavioural change requires the realization by people how their current behaviour undermines the success of the organization. It requires feedback in a way that is constructive enough to elicit behavioural change. It also requires social support to confirm that the expected behaviour is indeed consistently applied in all situations.

Feedback on behaviour is often best obtained from those clients that are at the core of the organization's target. Let them testify how the current behaviour of the organization impacts negatively its performance. At the same time, organizations need to be ready to let people go that do not conform to the minimum expected behaviour, and let publicly known that it was the cause for dismissal. It is necessary to make some examples and communicate on the reasons why the organization will not tolerate such undesired behaviours.

Implementing process and systems changes

It might seem much easier to implement systems and process changes. However in our experience, in practice, this often stumbles on two particular obstacles:

- The fallacy of the sunk costs
- A lack of focus and dedication by management

As systems and processes are often considered as an organizational asset, and have been developed over the

years, executives are often reluctant to start entirely from scratch. They often prefer to try to correct the existing or even do not understand how important it is to have effective processes and systems aligned with the organization's expected way of working. This leads to organizations operating with obsolete systems. It is often better to overcome the sunk cost fallacy and start again on the basis of a new, modern system.

As to processes, executives often think it is just about writing procedures. Actually it is an expensive investment: knowledgeable people need to take time to write documents, consult with others (workshops), and thereafter implement a comprehensive roll-out plan to make sure the new processes are fully understood. The actual investment that this represents in time and money is not understood and a lack of focus ensues, which results in delays and ineffectiveness of the process. How often are organizations ready to detach a high performing executive full time for a few months to revamp the organization's processes? How good is participation to the relevant workshops?

Leadership required – set firm priorities and examples

At the end of the day, a successful organizational change requires a strong leadership that knows how to set examples and is firm in setting and following up on priorities. It can be particularly tough because in most situations, organizational change is implemented at times where the organizations goes through some form of a storm. From our observations, successful organizational changes happen when the organization's top management is ready to do the following – and implements it:

- Be absolutely clear on the values of the organization and the expected behaviours,
- Let go people even if they are highly regarded professionals that deliver strong results but with a behaviour that does not conform to the expectations (letting them actually go and not just demoting them),

- Publicly communicate on why the organization parted ways with some individuals because of non conformance with the expected behaviour,
- Assign one of the high performing top executives of the management team full time to work on behavioural, systems and processes change – and no other operational responsibility (we are not speaking here of the HR person – we are speaking of a high performing person that has normally business responsibility).

These are very simple criteria that we use to determine if an organization is really committed to change. Ask yourself those questions and see whether you are really ready to do this to determine if you are really committed.

Conclusion – organizational change is simple but not easy

Real organizational change is tough, because it is emotionally tough. This is why so many executives and organizations pay lip service to it, choosing to implement some cosmetic

changes in processes and systems and hoping that it will create real change. They do not want to see, or they fear to realize that it requires emotional investment. It does not work that way. Organizational change requires focus, personal investment and a lot of emotional work to achieve the expected transformation. It requires considering the organization not as a machine but as a team of individuals that work together to a common purpose.

Assess whether you are really ready to do the emotional work by answering the four questions:

- Are you crystal clear on the expected behaviours, can you write them down?
- Are you ready to let go of performing people that do not behave as expected?
- Are you ready to make these decisions publicly known and communicated?
- Are you ready to commit full-time a key member of the executive team to the change?

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