



# HOLISTIC CHANGE: CREATING ORGANIZATIONAL AND INDIVIDUAL ALIGNMENT AT GENUITY

BY ANDREW ATKINS

**C**onventional wisdom says that 70 percent or more of business change efforts, such as process reengineering, fail to meet their objectives. Why? Because these initiatives generally focus on a single dimension of a business. So, for instance, the effort might successfully alter an organization's systems or processes, but fail by not making complementary changes in areas such as strategy, structure, staffing, and skills. As a result, the elements of the business become misaligned, and either the company scuttles the initiative or the business limps along worse off than before the change effort began.

## Holistic Alignment: Three Elements in Balance

But aligning strategy, structure, systems, and so forth isn't enough. Organizational change efforts often overlook the need for another kind of alignment as well—that among the work we do, the reasons we do it, and the meaning it has for us. This more comprehensive, "holistic" form of alignment extends from an organization's market and business strategies right down to the individual level. It encompasses three elements that we might broadly refer to as *goal*, *role*, and *soul*.

**Goal: What Do We Want?** Goals are the most evident and accessible focus of our efforts. What are we trying to accomplish? How will we proceed? How will we know when we get there? Tangible or not, goals provide the substance and aim for our planning, monitoring, and assessment of change. Most business models, like the McKinsey 7S framework, focus on alignment around goals.

### Role: What Do We Contribute?

Roles are how we see ourselves—our identity as we play a part in the change process. Alignment must

include explicit consideration of the personal implications of change. How does this change affect how I see myself? How does it affect my status in the organization? My range of activity? My reporting relationships? We actively or passively thwart changes that are personally threatening. Intentional management of these personal issues is an overlooked prerequisite for success.

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**Soul: How Do We Relate?** Soul refers to the myriad human connections that bind us as families, teams, and organizations. These links provide the emotional content of our human systems. Am I safe? Liked? Respected? Fulfilled? Our organizations are made of human beings who have emotions as well as the skills and intelligence we usually attend to in our capacity as managers.

## Alignment Parallels in Business Models

In one form or another, goal, role, and soul are present in many widely recognized analytic frameworks.

- Each source of competitive differentiation in Treacy and Wiersema's *Discipline of Market Leaders* (Addison-Wesley, 1995) addresses a different element in our model. Operational Efficiency focuses on the goal of creating shareholder value. Product Innova-

tion focuses on the role of the firm's distinctive capabilities and market identity. Customer Intimacy focuses on the soul of the firm's often emotional connection with its customers.

- In Ulrich and Lake's *Organizational Capability* (John Wiley & Sons, 1990), Financial Capability addresses the firm's ability to create value cost-effectively and aligns with the goal element in our framework. Technological Capability centers on how the firm differs from other firms in what it can do, a role function. And Market Capability, focusing on connections between the organization and its customers, represents the organization's soul.

The fourth element in Ulrich and Lake's framework, Organization Capability, is an integrative component. Bridging the three other elements, Organization Capability is analogous in our model to the individual, group, or structure of relationships that seeks to align goal, role, and soul.

- Kaplan and Norton's *Balanced Scorecard* (Harvard Business School Press, 1996) is a four-element model like Ulrich and Lake's. In the Scorecard, Financial indicators track performance against shareholder value-driven targets (goal). Operational indicators track the performance of technology and processes (role). Customer indicators track relationship elements (soul). Finally, the Organization and Learning indicators, like Ulrich and Lake's Organization Capability, track the health of the integrating elements, the people on whom the organization's performance and success rest.

What's the implication when so many of the management frameworks we use differ more in vocabulary than in content? We might infer that, whether we are considering the interaction between two individuals or

between two organizations, the underlying dynamics and requirements for success are similar. One of the clearer articulations of the requirements for successful alignment comes from the Harvard Negotiation Project. Two HNP outgrowths, Fisher and Ury's *Getting to Yes* (Houghton Mifflin, 1981) and Stone, Patton, and Heen's *Difficult Conversations* (Viking, 1999), base successful interactions on attending to multiple levels in the "conversation"—the facts of the situation (goal), the power and identity elements inherent in the process (role), and the emotional content (soul).

Operating from this perspective, participants strive to create "win-win" opportunities and to strengthen their relationships in the course of the conversation or negotiation. Alignment is more than ensuring all parties agree on the goal or "ends." The "means," both in terms of roles in the process and the emotional importance of the change, become crucial alignment considerations. In some sense, Machiavelli got it backwards—rather than the ends justifying the means, the means enable the ends.

### Dialogue As a Change Process

At Genuity, we face tremendous challenges in helping our company navigate through relentless and accelerating market changes. As an e-business network provider, Genuity's business must change at, or in advance of, the pace of change in the Internet market. We're using dialogue around goal, role, and soul to help management teams reorient after particularly wrenching changes, such as reorganizations.

**Dialogue Around Soul.** First, we attend to the emotional implications of the change by explicitly discussing the positive and negative emotions team members have experienced during a recent large-scale reorganization. This catharsis serves to establish the common emotional experience team members share, both in surviving the disruption of personal relationships and in appreciating the grace with which many people handled the reorganization despite its personal impact.

**Dialogue Around Role.** Then, we detail the changes in the way work will occur. Here, William Bridge's Transitions Management model is particularly effective. As team members describe their new responsibilities, they explicitly note what former roles and responsibilities are no longer part of their work, what they are carrying forward into the new organization, and what new areas of responsibility they are assuming. This discussion serves both to educate the group on the changes in their overall focus and to allow individual team members to honor the valuable work they no longer perform, validate roles they continue to perform, and accept new roles.

**Dialogue Around Goal.** Finally, we turn our attention to the future and our vision of the organization we want to become. A simple brainstorming exercise about the attributes of the organization in two or three years provides the basis for this work. The team sorts the attributes into four categories: strategy, people, customers, and process. Then, team members "tell a story" about the connection between strategy and people and between customers and process. The strategy/people story is a "recruiting pitch" to a fictional prospective hire describing how Genuity connects its people to its strategy. The customers/process story is a "sales pitch" to a crucial prospective account about how our processes drive customer value. Further work focuses on building the organization's strengths to grow the business toward the vision.

Explicitly attending to the needs of goal, role, and soul through this relatively simple three-phased approach helps teams adapt more quickly and completely to large-scale changes. We've seen teams rapidly establish productive working relationships after

undergoing fundamental structural and staffing changes. But this process is not a magic bullet. For groups to continue to work productively, they will need to continually attend to and reinforce the alignment of all three elements.

### Managing the Whole Change Process

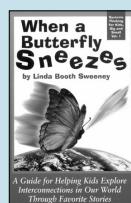
To a significant degree, all business activity is about managing change. Some changes are on a large scale and are formally recognized as requiring change management. But all business activities involve transformations in one form or another, turning inputs into outputs. Consequently, effective managers must attend to all three elements in change and continually work to create alignment both systemically and interpersonally.

We all bring our whole being to the workplace. The choice is not whether we can engage the whole person at work, but how we manage the inevitable engagement. The connection can be generative or degenerative—the direction is jointly determined by both the individual and the organization. Engagement is a dialogue, and parties can be adept or inept at that dialogue.

Alignment required for organizational change must consider all aspects of the business model, the process for the change, and the "codicils" of the emotional contract between the organization and the individual. By consciously attending to our needs on the levels of goals, roles, and souls, we more effectively and holistically reinvent our organizations in the ongoing change process that is both business and life. ■

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### BOOK BUZZ



Linda Booth Sweeney's latest book, *When a Butterfly Sneezes: A Guide for Helping Kids Explore Interconnections in Our World Through Favorite Stories (Systems Thinking for Kids, Big and Small Vol. 1)*, has received accolades from groups like the Creative Learning Exchange. To find out what the buzz is about, go to [www.pegasuscom.com/butterfly.html](http://www.pegasuscom.com/butterfly.html) and you'll reach a detailed description of the book's contents. Copies of the book are \$14.95; volume discounts are available.