

Shall We Dance?

Business transformation requires organizations to learn the agility dance and master the steps to an empathic, people-centered approach to change that nurtures a culture of aspiration, alignment, autonomy, and accountability. **BY TONY O'DRISCOLL**



Tony O'Driscoll is a professor at Duke University's Fuqua School of Business and a research fellow at Duke Corporate Education. He studies how organizations build the leadership system capabilities required to survive and thrive in an increasingly complex world.

Upon completing one of the largest and most successful business transformations in history, then-IBM CEO Lou Gerstner said, “I came to see in my time at IBM that culture isn’t one aspect of the game, it is the game.” He then went on to write a book titled, “Who Says Elephants Can’t Dance?”

Today, efficiently running your business is merely table stakes in playing the business game. Navigating the dynamic tension between running the business and changing the business is the primary challenge leaders face today. On the one hand, executives must continue to run their core business as efficiently as possible. On the other, they must develop and implement strategies to change the business in response to swift and sweeping shifts within the business ecosystem. To channel Charles Darwin, in the game of business today, it is not the strongest or most intelligent organizations that survive, but the ones that are most adaptive to change.

Bill Joiner defines agility as “the ability to take sustained effective action amid conditions of accelerating change and mounting complexity.” A 2017 EIU study highlights “insufficient agility” as one of the Top 3 barriers to successful strategy implementation. Organizational agility is no longer optional. Every organization, it appears, needs to learn the agility dance.

THE AGILITY GAP

In a recent PMI/Forbes Insight survey, 92 percent of respondents said that organizational agility is critical to business success. Executives around the world believe that increased agility results in faster time to market, improved operating efficiency, more satisfied customers and employees, as well as higher revenues.

While the need to build the capability for organizational agility is well recognized, it appears that it is not easily realized. Research from McKinsey shows that less than 25 percent of organizations consider themselves to be agile today. Indeed, many organizations today have an agility gap.

A key reason for this organizational agility gap

is cultural, not logical. Organizations cannot change unless their people change. Most transformation efforts fail because organizations tend to over-emphasize the tangible change levers of structure, process, and governance while largely ignoring the emotional needs of the human beings who ultimately bear the burden of change. When it comes to change, most organizations put the tangible “cart” before the emotional “horse.”

A recent Economist Intelligence Unit study identified “cultural attitudes” as the primary barrier to successful strategy implementation. Edgar Schein describes culture as “the sum total of all the shared, taken-for-granted assumptions that a group has learned throughout its history.” He further asserts that culture cannot be separated from strategy because strategic thinking is deeply colored by these tacit assumptions.

Culture, therefore, not only impedes the delivery of a strategy designed to change the business, it also influences the design of the strategy in a limiting way. In short, culture acts as a limiting and resistive force to both the design and delivery of a strategic change initiative, thus undermining the capability for agility within organizations.

Said differently—as only Peter Drucker can—“Culture eats strategy for breakfast.” While culture itself is notoriously hard to change, it cannot be left to chance. Changing a business is deeply rooted in carefully nudging its culture to foster changed belief and behavior toward agility and away from orthodoxy.

Successful organizational transformation requires an empathic, people-centered approach to change that nurtures a culture of aspiration, alignment, autonomy, and accountability that puts the “emotional horse” back in front of the “tangible” cart. It is only then that organizations can build the capability of agility they so desperately need to survive and thrive in increasingly uncertain times.

Does your organization have what it takes to learn how to do the agility dance? Let’s lead the way! **■**