Fundamental Questions to Accelerate Organizational Change

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No matter the industry, businesses have a common formula. Leaders establish a purpose and vision for their business, design the structures to make it work, and spend considerable resources aligning people — and their performance — to that vision.

In a rapidly evolving market, that alignment of people, systems and vision can easily get out of sync. Unexpected changes in the external environment, such as the coronavirus pandemic, and internal challenges like the implementation of new technology reshape how people spend their time and how systems need to operate.

All of this disruption leaves organizations grappling with fundamental transformations to how they think and operate. So, how can leaders successfully navigate change within an organization? What needs to be done to maintain alignment and make transformation sustainable?

Many leaders struggle with transformation because they focus too narrowly on one aspect of change while others underestimate the impact

Key Takeaways

To be successful in the evolving healthcare market, organizations must:

Cannot be siloed and requires simultaneous progress across people and systems.

Approach change with a focus on an organization's people-driven components — its operating model, talent strategy, and beliefs and behaviors.
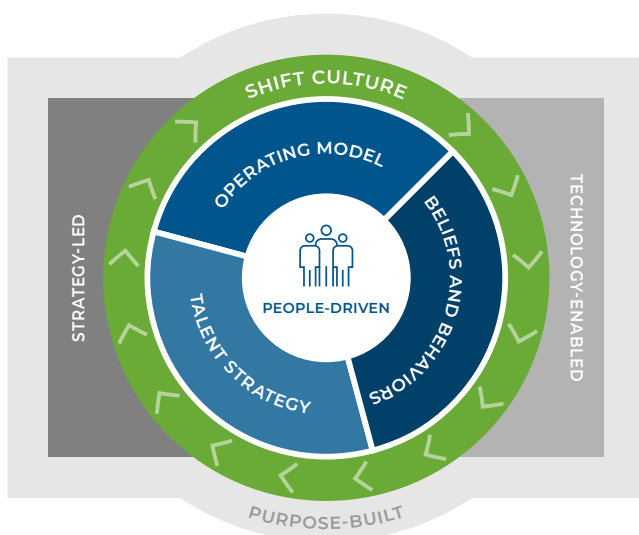
Consider the organization's unique capacity for change when developing strategies for transformation.

of people and culture. As organizations seek to accelerate successful change, it is imperative to understand that transformation is both social and structural. It is also individual and organizational. But perhaps even more important is recognizing the interconnectedness between each element.

Successful transformation requires a holistic, integrated approach that simultaneously changes individual behaviors (social) along with systems and environments (structural).

Defining an Integrated Approach

Transformation is guided by strategy and enabled by technology, but at the center are an organization's people-driven components — its operating model, talent strategy, and beliefs and behaviors. It is here that the social, structural, individual and organizational aspects of change intersect.

By investing in comprehensive people-driven strategies, organizations can accelerate and sustain change, starting with answering the following fundamental questions.

Building a Road Map for Transformation

No organization is immune to transformation. As leaders across industries implement complex change, they must understand their organizations' desired future state, barriers to success, and change-readiness to develop a suitable road map for transformation.

Defining success and understanding what the organization wants to become is a critical first step for leaders. Many transformations become paralyzed by lofty aspirations that don't clearly translate to fundamental shifts a business needs to make. Leaders need to articulate the gap between the current state and the future state — and prepare the organization's people and systems for the change ahead. This includes an awareness of the competitive landscape, consumer preferences and needs, and the core competencies needed to win in the future.

In healthcare, for example, providers continue to grapple with rising consumer expectations, forcing a shift from the industry's traditional internally focused culture to new consumer-centric business models and ways of thinking. Coming out of the pandemic, consumers' opinions about their healthcare are stronger than ever, creating urgency for healthcare organizations to better understand their consumers beyond their financial and clinical data.

Leaders can support this type of transformation with questions related to new data and decision making, the skills of current leaders, and the behavior enablers that will help shift the culture.

HEALTHCARE: BECOMING MORE CONSUMER-CENTRIC		
Operating Model	**Talent Strategy**	**Beliefs and Behaviors**
What performance measures should we use to gauge the success of our consumer transformation? How will we consistently gather consumer insights and ensure it informs how we make decisions?	Are our leaders sufficiently skilled in using new data to lead our teams through this transformation and holding team members accountable to new metrics and ways of working?	What behavioral enablers or nudges should we introduce to signal the shift toward a more consumer-centric organization?

COMPONENTS OF PEOPLE-DRIVEN CHANGE		
Operating Model	**Talent Strategy**	**Beliefs and Behaviors**
How will the organization shift how it makes decisions and rewire how work gets done in order to achieve its desired future state?	How do organizations build and retain a workforce that will enable them to win in the future?	How do organizations identify and remove invisible blockers and create new behaviors to enable change?

Identifying and Removing Blockers to Progress

In any transformation, organizations will contend with barriers that threaten to derail changes to their operating models, talent strategy, and beliefs and behaviors. By prioritizing and addressing these blockers to change in a coordinated and deliberate way, leaders can anticipate future challenges and generate buy-in from various stakeholders. The sequence in which organizations address barriers can further define their transformation road maps, carefully identifying blockers that might be turned into assets and those that can be addressed simultaneously to accelerate progress.

In higher education, a significant blocker for institutions in delivering high-value, student-facing activities lies in the financial aid office. Whereas, in the past, the professionals in this department have primarily dealt with administrative, compliance and regulatory tasks. More and more, though, consumer expectations for a better, more hands-on financial aid resource experience have led many institutions to rethink the way this department operates.

Answering these key questions can help leaders uncover the aspects of their financial aid office operating model, existing talent, and individual and collective behaviors that could present barriers to change.

Understanding Capacity for Change

Understanding an individual's or organization's capacity to adapt to new behaviors, ideas and processes is critical for optimizing the execution of a transformation strategy. Such knowledge will enable leaders to better prioritize how they address blockers and ensure the organization plans for needed changes to organizational structure, talent, roles and responsibilities, key metrics, and technology upgrades.

A look back at how the organization has managed similar or other major changes reveals important lessons learned as well as signals how ready the culture may be for transformation. Leaders will have to consider how transformation will impact the need for new talent with new skills and expertise. Equally as important is how change will be communicated to the organization to drive buy-in and alignment.

EDUCATION: RESTRUCTURING THE TRADITIONAL FINANCIAL AID OFFICE		
Operating Model	**Talent Strategy**	**Beliefs and Behaviors**
What aspects of our current operating model are preventing us from better addressing the financial aid needs of our students?	What talents and/or skills must our leaders or team members possess or acquire to help us fulfill our vision for the future?	How must our individual or collective behaviors change to ensure our financial aid office thrives in the future state and creates the desired high-value experience?

FINANCIAL SERVICES: EMBRACING CONSUMER AND DIGITAL TRANSFORMATION		
Operating Model	**Talent Strategy**	**Beliefs and Behaviors**
Is our organizational structure aligned to meet the needs of our customers efficiently and effectively?	Have we created an environment to ensure we retain our highest performers while we make this change?	Do we have the organizational belief that we can successfully make the business changes our customers require?

Financial services organizations are also feeling the impact of disruptive change in their industry. Customer expectations are shifting to reflect the personalization and user-friendliness they experience in other, primarily retail, interactions. By innovating to meet these new demands, businesses can lose sight of how their demographics' needs are rapidly evolving. To stay competitive, a shift to embrace new and emerging technologies is critical.

Leaders can evaluate change-readiness with questions related to their organizational structure, their ability to retain top talent, and organizational beliefs in their ability to change.

In today's fast-paced market, timely and sustainable transformation requires organizations to change individual behaviors as well as its systems and environments. It's not enough to shift one aspect or the other. An integrated approach is one that focuses on people's beliefs and behaviors while also constructing an environment that supports the organization's purpose.

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