

WHITEPAPER

From Potential to Prosperity

An essential business guide to
the 7 pillars of sustainable
organisational change

Contents

Introduction	04
Drivers behind organisational change	06
Disruptors of successful organisational change	07
Fostering the conditions for sustainable change	11
How we deliver successful, sustainable change	12
What sets our methodology apart?	14
Conclusion	15
Want to know more?	15
References	16

Foreword

The contemporary business environment is marked by globalisation, shifting customer expectations, and economic crises, highlighting the necessity for businesses to embrace change. Companies' adept at pivoting in the face of change experience significant revenue growth and stock appreciation, emphasising the importance of strategic transformation.

Sustainable organisational change goes beyond adaptation—it requires deliberate shifts across attitudes, processes, and structures to enhance performance and ensure relevance. Despite the compelling rationale for change-ready cultures, many organisations struggle to execute effectively.

This whitepaper offers a comprehensive exploration of a science-backed model and leading change methodology, providing HR leaders with a roadmap to not only adapt to change but to thrive within it. It introduces the Positive Change model, a blueprint for fostering environments conducive to transformation.

As we navigate this transformative journey, let us embrace change as an opportunity for growth and innovation. May this whitepaper serve as a guiding light towards resilience, relevance, and unwavering success, as we forge ahead united in our pursuit of organisational excellence.

Dr Belinda Board
Founder and CEO

FROM POTENTIAL TO PROSPERITY

Introduction

In the ever-evolving world of HR leadership, fostering sustainable organisational change is not just a challenge— it's the key to unlocking potential and a future of unparalleled success. This whitepaper outlines our unique science-backed model and leading change methodology. By the end of the paper, we will provide HR leaders with a clear roadmap to allow their organisation to embrace and thrive in change

Organisations today are battling to operate in a rapidly changing and unrecognisable landscape to that which they faced barely a year ago. Globalisation, climate change, shifting customer expectations, a myriad of brutal conflicts and cost of living crisis are squeezing margins. The residual effects of Covid-19, inflation and geopolitical tensions are further confounding the ability for businesses to confront the challenges laid before them. The only way for businesses to thrive in this dynamic environment is through constantly delivering sustainable organisational change (Board, 2023).

It is a prerequisite for driving business performance and success as the data shows. The benefits start with your top line and market value. Companies that effectively adapt to change are 1.5 times more likely to experience revenue growth of 15 percent or more over three years and 2.5 times more likely to experience significant stock growth over the same period⁵. That is because these organisations have cultivated the potential to sustainably change and proactively respond well in the context in which they operate. Sustainable organisational change, in the context of business, refers to a deliberate and strategic shift within an organisation. It encompasses comprehensive changes in attitudes, processes, and structures, all oriented towards achieving improved performance and continued success in light of changing business demands and strategic objectives.





Businesses that invest in building their potential to successfully deliver change position themselves to remain relevant, resilient and competitive. The significance lies in the ability to respond to market changes swiftly, foster innovation, and create an environment where employees are adaptable, engaged and motivated. Through fostering such conditions businesses not only weather the storms of change but harness them as opportunities for growth and improvement.

Despite the compelling case for change-ready cultures, only 31 percent of HR leaders believe their organisations have the right conditions they need to drive organisational change effectively and deliver future business success (Durinski, 2020). Getting there is no simple task — 70 percent of organisations fail in delivering business change initiatives (Ewenstein, Smith & Sologar, 2015).

As architects of workplace dynamics, HR leaders are at the forefront of change. This groups hold the key to navigating change and shaping it into a force that propels businesses beyond traditional norms, allowing them to thrive in dynamic and challenging environments. HR leaders can use this whitepaper as a practical guide to redefine their organisation's approach to change and embrace the future with confidence. In this paper we will examine the drivers and disruptors for change, introduce our Positive Change model which comprises of the building blocks for fostering conditions conducive to sustained change, and share our methodology to how we deliver successful, sustainable change.

Drivers behind organisational change

Organisational change is not a random occurrence but is driven by powerful forces that shape the landscape of businesses. Understanding these drivers is essential for HR leaders seeking to master sustainable organisational change.

Our research and work with our clients have revealed these top drivers behind organisational change.

Stronger business performance

The pursuit of commercial effectiveness is an inherent driver of change. Organisations aiming to achieve their strategic goals through cost control, profit growth and shareholder value need to evolve their strategies, business processes, technologies, and people capabilities. As a result, businesses embark on change initiatives designed to elevate business results by aligning objectives, fostering a high-performance culture, and equipping leaders with tools to unleash the full potential of their teams.

Implementing new structures

As organisations grow or adapt to new challenges, the need for structural adjustments becomes inevitable. Whether it's the accommodation to organic growth, mergers, acquisitions, or restructures, business rely on successful change initiatives for implementing new structures effectively.

Creating efficiencies

In a world where efficiency is synonymous with competitiveness, organisations are compelled to continuously seek ways to streamline processes, eliminate redundancies, and optimise workflows. We have observed the need for efficiency increasingly as a catalyst for change, with our clients seeking change strategies and initiatives that not only enhance operational effectiveness but also create a culture where efficiency becomes ingrained.

Responding to external demands

External factors, such as shifting customer preferences, regulatory changes, or market fluctuations, exert significant pressure on organisations to adapt. Therefore, many businesses are interested in implementing change programmes aimed at effectively aligning internal processes with external requirements and equipping leaders with the tools and skills to effectively evaluate and respond to external demands and pressures.

Our methodology acknowledges and strategically aligns with these key drivers to ensure a proactive and holistic approach to driving change.



Disruptors of successful organisational change

Organisational change is a dynamic and intricate process with numerous factors that contribute to the success or failure of change initiatives. Understanding and navigating these disruptors is critical so that HR leaders can reinforce their strategies and approach to change.

Here are the main reasons we have found why change efforts fail.

Unclear vision and objectives

A lack of clarity regarding the objectives and vision for change can lead to confusion, disorientation and misalignment. Employees need a clear roadmap that outlines the purpose, benefits, and expected outcomes of the change. Without a compelling vision, the organisation risks wandering aimlessly and change may lose momentum. A clear vision and objectives must also account for wider implications and varying business priorities across functions at the early stages of planning. In a nutshell, employees need to know what is changing and more importantly why the change is necessary.

Resistance to change comes because only 15% of employees understand the rationale behind their organisation's strategies, business decisions and change efforts (Murphy, 2022)

Mindset and resistance

The resistance to change, often rooted in a fixed mindset, stands as a challenging barrier. Individuals may resist new processes, technologies, or structures due to fear of the unknown or a perceived threat to their status quo. Overcoming this hurdle requires not only addressing tangible changes but fostering a cultural shift towards growth, adaptability and continuous improvement.

Fixed mindsets and resistance act as barriers to successful organisational change, hindering the organisation's ability to adapt, innovate, and thrive in a rapidly changing environment.

FROM POTENTIAL TO PROSPERITY

Lack of communication and transparency

Effective communication is fundamental for successful change, without the necessary attention communication can hinder your change efforts drastically. When employees feel uninformed or left in the dark, uncertainty and anxiety can set in. Clear, transparent, and consistent communication is essential to mitigate resistance and build trust throughout any change journey. When employees understand the challenges facing the organisation, they're going to be more inclined to support a change process to address those challenges.

It's difficult to overcome change resistance when employees don't understand the root cause of the challenges that precipitated the change (Murphy, 2022).

Insufficient employee engagement

The level of commitment and enthusiasm employees invest in any change process significantly impacts its outcome. Engaged employees not only weather the storm of change but actively contribute to driving it. Change initiatives often falter when employees are not actively engaged in the change process. Disengaged individuals may lack motivation, fail to see the personal relevance of the change, or disinvest in the organisation's objectives. There are a whole host of disruptors to an organisation's potential for change that come with insufficient engagement. Lower productivity, slower task completion, compromised quality, reduced efficiency, and increased employee turnover can result in increased costs and a loss of valuable experience. Therefore, it's crucial for organisations to prioritise establishing mechanisms for participation, feedback, and involvement to cultivate a sense of ownership and commitment, and in turn mitigate disengagement as a blocker for change.

Inadequate leadership support

Every employee contributes to driving organisational change, but leaders by far have the greatest and most direct effect on how successful that change is. When leaders are not fully aligned with the change vision, lack the skills, enthusiasm, or fail to provide the necessary resources and guidance, the entire organisation may veer off course. Strong, visible, and committed leadership is paramount for successful change.





Our research in the change leadership arena indicates certain mindsets, behaviours and strategies of leaders who are expert at cultivating the conditions that allow employees and the business to thrive in the face of change.

Only 22% of people believe their senior leaders have a clear vision for the future. If your leaders don't understand why change is happening, your employees won't either (Suer, 2023).

Deficient training and development

Change often introduces new skills and processes. Without proper training and development opportunities, employees may feel ill-equipped to navigate the evolving landscape. A deficiency in skill alignment can lead to frustration, decreased performance, and hinder the overall success of the change your organisation is trying to drive.

People capabilities accounts for 23% of employee buy in to the need for organisational change. That is, the more confident employees feel about their capability to successfully navigate change introduced in the system, the more buy in and less resistance to change you'll see (Murphy, 2022).

Failure to recognise and address change fatigue

Change fatigue is a real and pervasive threat for all organisations undergoing frequent, prolonged and even just day-to-day changes. Acknowledging and actively managing pressure points for the workforce is essential for sustaining enthusiasm and commitment towards change. Additionally, research has found two major disrupting factors to your employees' potential to absorb change, putting them at risk of change fatigue. Firstly, a lack of trust; the extent to which employees believe that their leaders, colleagues, and HR have their interests in mind, and do what they have promised to do. Secondly, low team cohesion, the extent to which teams share a sense of belonging and connection, along with commitment to, and accountability for, a common goal.

Employees who report low trust have an average capacity for change that is 2.6 times less than those with high trust. Employees with low team cohesion have a capacity for change 1.8 times less than the capacity of those with strong team cohesion (Ganesh, 2023).



Mismatched organisational culture

When the desired change clashes with the existing organisational culture friction may develop. A misalignment between change initiatives and the prevailing cultural norms can impede progress. Evidence suggests that employees are more inclined to embrace change when the organisation's culture is aligned with the mission and goals of the company. Many businesses do not spend the necessary time upfront diagnosing the current landscape to accurately understand readiness for change as well as potential change enablers and risks. It is crucial to assess and, if necessary, evolve the organisational culture to harmonise with the desired change and strategic goals.

72% of senior management report that their culture helps successful change initiatives to happen (FHSU Digital Press).

Considering these common disruptors in the journey towards sustainable organisational change, it is evident that the greatest disruptors and, paradoxically, the most potent enablers are your people and their collective potential to affect change. From mindset to alignment, engagement to capability, their influence and potential to make change successful is profound and multifaceted. HR leaders therefore need to rethink where they invest time, attention and energy to manage change. Investing in fostering ideal and conducive conditions that enable change in individuals, teams and the organisation is a key focus.

FROM POTENTIAL TO PROSPERITY

Fostering the conditions for sustainable change



At the heart of successful, sustainable change is the 7 Pillars of Positive Change™. Our model for Positive Change™ is one we have refined through decades of robust research and proven business practice.

Positive Change indicates people's ability – individually and collectively – to thrive (not just survive) in disruptive and challenging environments. Our research has identified seven pillars, key organisational enablers, of positive sustainable change. These include: Purposefulness, Perspective, Control, Connection, Growth, Coping, Wellbeing.

When all seven pillars are embedded within an organisation, people can operate at their full potential and engage with change positively to facilitate a highly adaptive organisation that can deliver sustainable change.

7 Pillars of Positive Change

Purposefulness: The vision and purpose are clearly defined and embedded, the workforce are inspired with clarity and alignment on how the business strives for its goals and makes an impact.

Perspective: The business effectively encourages critical thinking, debate, and new ideas from everyone, enabling the organisation to quickly pivot and rise to meet new challenges and opportunities.

Control: The organisation anticipates and has a strong understanding of its strategic obstacles and how to effectively respond to and manage them, reducing the risk of ill-considered, knee-jerk business decisions.

Connection: There are strong vertical and lateral interconnections, alignment and ways of working across the business and beyond – no siloed ways of working. Psychological safety, belonging, cohesion, cooperation, coordination and engagement are all hallmarks of the Connectedness pillar.

Growth: The business harnesses the workforce's innovations and ideas with deliberate actions that spark learning, curiosity and experimentation.

Coping: Engagement and performance are optimised by identifying pressure points and supporting people's ability to cope by maintaining a good balance of pressure, where people are challenged and stretched but also have access to adequate resources and support proactively preventing change fatigue.

Wellbeing: There are organisation-wide practices and initiatives that foster healthy habits and strategies to support physical and psychological health of the workforce.

FROM POTENTIAL TO PROSPERITY

How we deliver successful, sustainable change

This section outlines our distinct approach to executing change, providing HR leaders with a practical roadmap on how we work with our clients to deliver successful organisational change and ensure sustained impact.

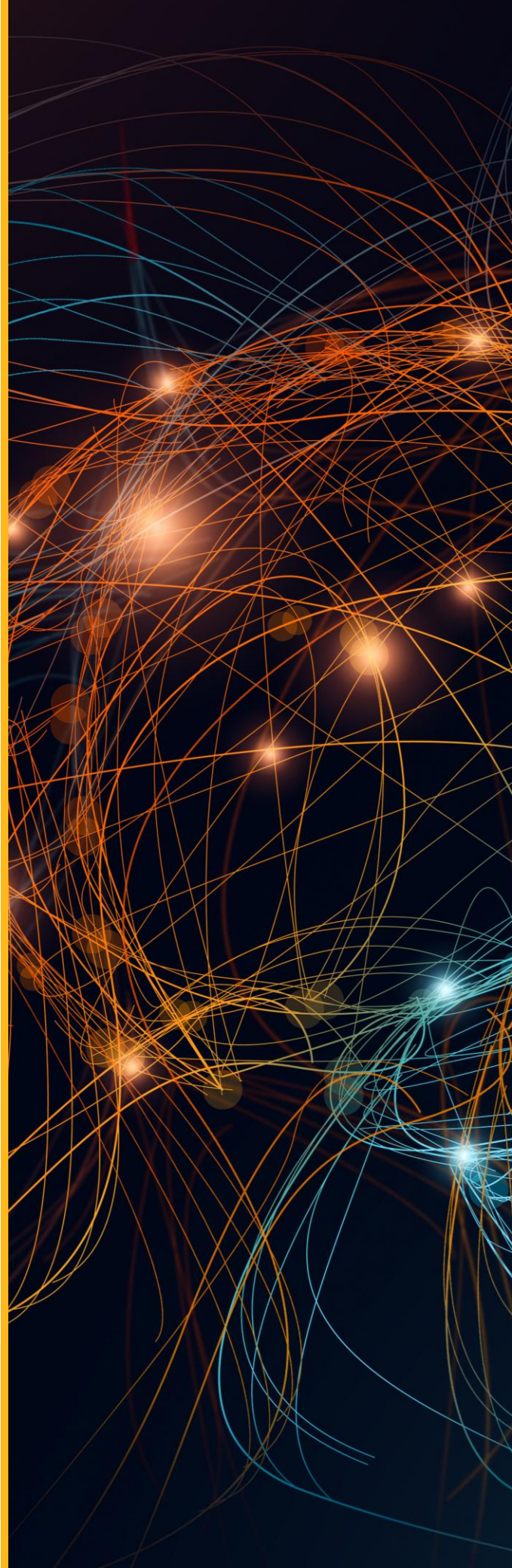
Our offering includes a suite of solutions for assessing, developing and sustaining change.

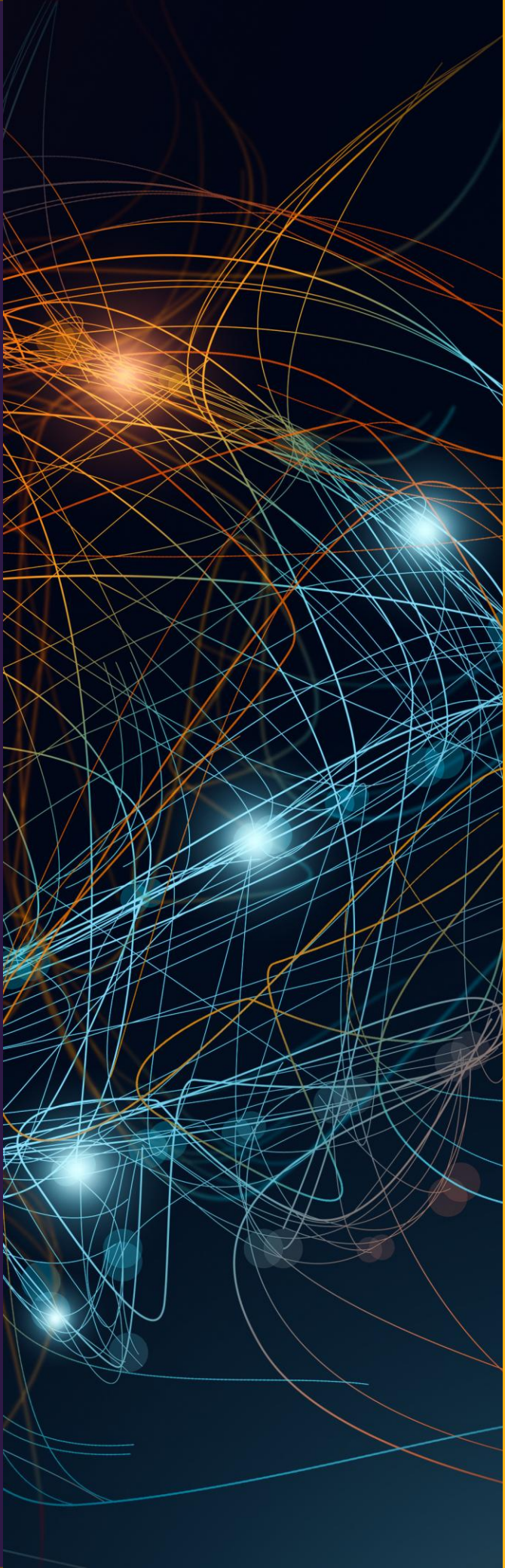
Understanding organisational readiness

Building your organisation's potential for change starts with an understanding of the readiness of your organisation and, critically, your people. We go beyond surface-level assessments, delving into the intricacies of your organisational culture, processes, individual mindsets and behaviours. Our diagnostic tools and comprehensive reports culminate in expert recommendations for building the 7 pillars of a positive change and sparking a collective shift in organisations of all shapes and sizes. This understanding becomes the bedrock upon which your change strategy is built—a strategy that resonates with the unique dynamics of your organisation and brings clarity to the change vision and objectives.

Uncovering potential risks

Change is not without its challenges, and identifying potential risks is a cornerstone of our recommended execution strategy. Through our meticulous change ready assessments, we uncover potential obstacles, including collective mindsets and potential resistance factors that may impede the progress of the change within your organisation. This proactive approach allows us to craft a nuanced plan that manages and mitigates risks before they can manifest.





Building a strategic plan

Together, collaboratively with your leadership and stakeholders, we craft a strategic plan that goes beyond mere directives. This plan is a dynamic roadmap designed to unleash the latent potential within your people while simultaneously managing identified risks. We partner with our clients to engage people at all levels, enabling organisations to dynamically communicate and cascade their tailored change programmes. This collaborative approach ensures that the entire organisation is aligned and invested in the change journey.

Preparing and supporting your people

Execution is not just about implementation; it's about the people who bring the change to life. Our methodology places significant emphasis on preparing and supporting your people throughout the change process. From targeted training to consistent communication, we support you in creating an environment where employees are not just participants but active contributors, fostering a culture of adaptability and resilience. Our programmes can be structured to incorporate Positive Change™ training and development workshops providing highly engaging, interactive evidence-based approaches that help individuals understand and develop their potential and personal resilience to thrive in change as well as support leaders to effectively support others and shape the conditions for positive change within their teams.

Resulting in sustained transformation

The culmination of our execution strategy is sustainable organisational change. Therefore, we track and sustain change over time with our IMPACT behavioural pulsing tool, allowing organisations to get real-time data on behavioural change at an individual and aggregate level, with ongoing targeted development suggestions. Our data dashboards allow organisations to understand and monitor cultural blockers and enablers, and to demonstrate tangible ROI. Beyond the completion of the change initiatives, our approach creates a lasting impact that permeates the organisation's culture. By focusing on releasing potential, managing risks, and supporting your people, we ensure that change is not just a momentary shift but an enduring evolution that positions your organisation for continued success in the face of ongoing changes.

FROM POTENTIAL TO PROSPERITY

What sets our methodology apart?

As business psychologists, we bring a scientific approach to the domain of organisational change. By understanding the intricate interplay between human behaviour and organisational dynamics, we go beyond traditional change management practices. Our methodology is a product of two decades of rigorous research, providing a foundation that is both robust and adaptive to organisations of all shapes and sizes.

What truly distinguishes our methodology is its explicit focus on driving sustained transformation in the context of today's volatile, uncertain, complex, and ambiguous world. We recognise that successful change in the modern era demands more than just process or structural adjustments; it requires a dynamic approach that develops and releases the collective potential of your people to anticipate and navigate the changes and challenges posed by an ever-evolving business landscape.

Our methodology is designed to deliver insights at both an individual and organisational level. It recognises the intricate connections between your employee's potential and organisational success, providing a holistic view that ensures the alignment and development of individual mindsets, behaviours and capabilities with your overarching strategic change objectives. This dual-focus approach therefore provides value that resonates beyond the immediate goals of your change initiative, offering organisations insights into creating positive cultures, increasing performance and engagement, and realising untapped potential. In other words, our methodology acts as a catalyst for perpetual improvement, providing a roadmap for building the organisational capability to continually evolve, adapt, and thrive in the face of change.



Conclusion

In conclusion, there are various drivers propelling organisations towards change, such as the pursuit of stronger business performance and the need for efficiency. Yet, its success is often hindered by disruptors like unclear vision, fixed mindsets, resistance, inadequate training and communication. Recognising that people are both the enablers and disruptors, HR leaders must strategically invest in fostering ideal conditions for change within individuals and the organisation.

Our model for Positive Change™, grounded in two decades of rigorous research, introduces the 7 Pillars essential for creating sustainable change. When embedded, these pillars enable organisations to thrive amid disruptions. As a HR leaders navigating the complexities of change, we urge you to consider our proven approach, fostering a dynamic and adaptive environment. By investing in building the 7 pillars, you will ensure that you create the ideal conditions to support your people through change. By doing so, you not only ensure a momentary shift but pave the way for an enduring evolution that positions your organisation for continued success in the ever-evolving business landscape.

We understand that navigating change in the corporate world can be a challenging journey. That is why our experienced business psychologists are here to support your leaders and employees, whether they are leading change, implementing it or simply navigating through it.

Let's talk

Embrace change and let Peoplewise be your partner in achieving success. Start your journey with us today and unlock your organisation's full potential.

Contact us to get started.

EMAIL

letushelp@peoplewise.co.uk

PHONE

+44 (0) 204 503 9442

FIND OUT MORE

peoplewise.co.uk

peoplewise

PART OF THE LCAP GROUP

We can take you further

Assess

Our research-led psychometric, assessment and analytics tools reliably measure people's capabilities and predict their potential, so that you can make better hiring and investment decisions.

Develop

Our leadership development, personal effectiveness and executive coaching programmes equip every person to achieve their potential and perform at their best, so that you can build a stronger business with home-grown talent.

Perform

Our research insights, team workshops and change strategies identify and build change-ready cultures, strong talent pipelines and high-performing teams so that you can achieve effective transformation and sustainable growth.

Peoplewise is an award-winning business psychology consultancy specialising in assessing potential, developing leaders and transforming business.

References

Anderson, E. (2021). Beating The Odds On Organizational Change. <https://www.forbes.com/sites/erikaandersen/2021/09/27/beating-the-odds-on-organizational-change/>

Baker, M (2020). How to Reduce the Risk of Employee Change Fatigue. <https://www.gartner.com/smarterwithgartner/how-to-reduce-the-risk-of-employee-change-fatigue>

Board, B. (2023). How to succeed in a volatile world? Utilising the 7 pillars of positive resilience to make the ideas-informed society a reality. In C. Brown and G. Handscomb (Eds.) The Ideas Informed Society (pp. 205-230). Emerald Publishing

Board, B., Adcock, N., & Hancock, R. (2021). 7 Pillars of Positive Resilience: Realising happiness and success. Whitepaper.

Culture & Cash Connection: New Report Ties Revenue Growth to Companies with Healthy Cultures (2019). <https://apnews.com/press-release/business-wire/business-chicago-financial-performance-7c779ac701724a4686ce454d5b33ccba>

Durinski, T. (2020). 2020 Employee Engagement & Retention Report. Failure to engage – why up to 64% of employees may leave their jobs in 2020. <https://www.achievers.com/resources/white-papers/2020-engagement-retention-report/>

Ewenstein, B., Smith, W., and Sologar, A. (2015). Changing change management. <https://www.mckinsey.com/featured-insights/leadership/changing-change-management>

FHSU Digital Press. Organizational change drivers. <https://fhsu.pressbooks.pub/profdev/chapter/11-1-change-drivers/>

Ganesh, K. (2023). How does employee disengagement impact attrition? <https://www.culturemonkey.io/employee-engagement/how-does-employee-disengagement-impact-attrition/>

Gonzales, M (2023). Employee Disengagement Hits 9-Year High. <https://www.shrm.org/resourcesandtools/hr-topics/behavioral-competencies/global-and-cultural-effectiveness/pages/new-gallup-poll-employee-disengagement-hits-9-year-high.aspx>

Goodridge, N. (2019). Only 15% of organisations succeed in transforming their cultures (2019). <https://www.i4cp.com/press-releases/only-15-of-organizations-succeed-in-transforming-their-cultures>

Leadership IQ (2022). Resistance To Change In Organizations Comes From These 5 Factors. <https://www.leadershipiq.com/blogs/leadershipiq/resistance-to-change-in-organizations-comes-from-these-5-factors-new-data>

Murphy, M (2022). Why Change Management Really Fails: 4 Shocking Causes And How To Fix Them <https://www.forbes.com/sites/markmurphy/2022/10/26/why-change-management-really-fails-4-shocking-causes-and-how-to-fix-them/>

PWC (2021). Organisational culture: It's time to take action. 2021 Global Culture Survey of 3,200 leaders and employees worldwide. <https://www.pwc.com/gx/en/issues/upskilling/global-culture-survey-2021.html>

Suer, M. (2023). Building a Culture of Organizational Change Acceptance. <https://www.cmswire.com/digital-marketing/building-a-culture-of-organizational-change-acceptance/>



Want to know more?



Call us: 020 4503 9442
Visit our website:
www.peoplewise.co.uk



HEADOFFICE

20 Hammersmith Broadway
London
W6 7AF
United Kingdom

+44 (0) 204 503 9442
www.peoplewise.co.uk