



Solving the Wrong Problems

Why Behaviors Don't Change in Organizations

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“Anything that doesn’t grow and change is dead.”

Leslie Marmon Silko
Ceremony

As organizations get big, they die. Their success seems to breed inertia and a status quo that is self-destructive. The stability that organizations establish in the name of efficiency and operating protocol domesticates employees, and sets in place a web of factors that conspire against behavioral change.

Several years ago, Jay Conger, the global leadership expert, was recounting to me that the average age of a Fortune 500 company had dropped to 17 years, and was shortening every year. The biggest 500 companies in the world are younger than a freshman in college! Incumbents can’t change fast enough to keep pace with the realities of the world, allowing new entrants to cannibalize and destroy what were once blue chip brands. We’ve seen this happen over and over again, and not just in the tech sector.

Complexity and speed overwhelm organizations again and again. The core of this problem is that organizations don’t know how to change the behaviors of their people. They operate from

a fundamental misunderstanding of behaviors and behavioral change. Organizations solve the wrong problems. That's why a focus on competencies, Gant charts and initiatives isn't the answer.

To change behaviors in organizations, reorient to a different set of problems. Discussions of behavioral change fall prey to viewing things on a distinctly individualistic level, or through the traditional lenses of systems, structures and processes. Yet this isn't how people really work. Continually, leaders fail to recognize that organizations are dynamic social systems with webs of expectations occurring on a very local level. As a result of this failure, corporations are condemned to a merry-go-round of ineffective change initiatives.

While policies, systems and processes change, people's expectations of one another don't. These day-to-day, unwritten expectations tend to be much stronger drivers of what actually gets done in organizations. This web of implicit expectations and ways of working conspires against organisational evolution. Consider that most modern organizations are actually bigger than the largest civilizations of the ancient world. Yet, despite our access to communication and information in every conceivable form, modern companies are just as prone to civil unrest in the colonies and outlying districts!

Organizations need to look differently at the problems they're trying to fix, if they are ever going to improve at shaping people's behaviors.

Command and Emergent Systems

Organizations are social systems. Like boats sitting in a safe, familiar harbour, these social systems grow barnacles over time. Most people spend up to 70 per cent of their lives at work, becoming domesticated to certain ways of working and thinking. In pursuit of efficiency and market dominance in known sectors with familiar problems, organizations teach people how to see opportunities and problems. Strategy is diminished to a budgeting process, and through talent processes, we identify and promote like-minded people who help us run our organizations for the past, not the future. This is how the barnacles of large organizations begin to take form, impeding new ways of working and meaningful behavioral change. It's the conundrum of modern organizations: The success of our social system is what creates an inability to change behaviors.

Amazon.com has taken a significant amount of heat in the past few weeks, since *The New York Times* published an article detailing the harshness of Amazon's culture, its workplace politics, and seeming brutality. What may be missed by many people reading the article, is that Amazon's approach is in pursuit of a particular type of social system: a delivery-oriented, "no excuses" system that casts its perceived "flotsam and jetsam" overboard quickly. Bezos and crew seem to be shaping a social system built on insecurity to drive performance. This is the role of hierarchy—to create tension, and this is the world in which Amazon's people are being domesticated.

Amazon's near-term success is hard to contest, but their long-term stamina would seem to be more suspect.

Every organisation—church group, government agency or global company like Amazon.com—always has two elements at play. Think of them as the “right brain” and “left brain” of domestication. The left brain of organizations, which we'll call the “command system.” is the stuff we're familiar with and like to adjust and address: organisation charts, reporting lines, approvals frameworks, performance reviews and so on. The command system represents the “plumbing” of any organisation because it's important that it works, but it isn't going to make a nice house. As organizations get bigger, the command system tends to be increasingly relied upon because it is familiar, and relatively easy to manipulate.

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Aspects of the command system have been critical to organizations for tens of thousands of years—dating back to the era of tribal chiefs and witch doctors. We like the linearity and control of the command system and we like to pull the familiar levers of change they represent. As the name suggests, the command system tends to centralise power and resources, privileging control and decision-making. What we're seeing happen in the modern world is that the balance is shifting away from the command systems as the dominant form of power. As a result, pulling the traditional command levers is becoming increasingly futile. Note Jeff Bezos' response to the NY Times article: "He urged any employees who knew of stories like those reported to contact him directly." What this shows is that the traditional command structures are becoming increasingly apologetic and guided by the influences of sentiment and groundswell. Another form of power is present.

The right side of the organisational brain is different. It's always been there, but it is now becoming more powerful. We'll call it the "emergent system" as it lacks many of the characteristics of the command system. This system distributes and diffuses information and power; it doesn't centralise or control it. With the globalisation of the world and the increase of individual power through social media, the emergent system is becoming hugely influential. It's best seen in organizations through implicit, day-to-day expectations and ways of working. It exists on a very local and relational level.

For our tribal ancestors, the “emergent” was the land of superstition, rumour and gossip. It’s the uncontrollable and seemingly chaotic. Like an army of ants running about on the floor of the forest, the emergent system takes form with a logic of its own, far from the clean reporting lines of the corporate hierarchy.

I was working on a large culture change project in a South African mining company several years ago and was shadowing an operational team, to better understand their world and work. Two team members went off down a quiet tunnel “to take a nap,” the supervisor told me. I asked if this was normal, or policy, and the supervisor responded, rightly, that “normal” and “policy” have nothing to do with each other! The expectations, priorities, and ways of “seeing the world” locally, have the ability to unwind the most thoughtful and well-intentioned command system mandates. So until organizations think differently about accessing and leveraging local expectations and ways of working, we’ll be doomed to watch mediocre execution prevail everywhere.

I remember reading an article in graduate school that suggested that any “group-wise third grader could undermine the most draconian teacher.” So it is in the modern organisation: employees in organizations privilege their local social contracts and ways of working, not organisational charts and manuals. In the absence of any understanding of, or remedy for how the social system works, the default of large organizations is to revert to compliance. Bear in mind, compliance gets you

some things, just not sustained competitive advantage. Further, compliance only serves to exacerbate a larger problem.

The challenge for all modern organizations is that the emergent system is growing stronger and stronger. It is overwhelming the command system. Around the world, faith in command systems is plummeting to record lows, with people increasingly relying on networks and emergent solutions. Reference the Arab Spring, in which social media allowed protestors to align, gather and demonstrate with a speed unimaginable in any command structure, and resulting in the toppling of several very command-centered governments.

While a handful of organizations have learned to manage the balance between command and emergent, most continue to try to pull harder on the weaker—and ever-weakening—lever of the command system.

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Recent research suggests we're seeing an important demographic shift that should be equally fear-inducing to large organizations: the most talented people in younger generations are choosing not to work for any single company, preferring what is known as an "agile talent" lifestyle. They move nimbly from project to project, working with people and on concepts they like and believe in. Millennials, the future talent pipeline, increasingly don't want to be a part of the social systems that organizations have created.

The command and emergent systems present a real quandary for modern organizations. Because the way organizations know how to fix things is deeply rooted in the command system, there is no emergent lens nor logic that they can access. This is particularly acute in the largest companies in the world. Over a five-year period while I was consulting to Shell, they undertook three painful and productivity-destroying organisational restructures. This is command thinking at its finest, akin to rearrange the deck chairs on a sinking ship. However, while alignment of the plumbing in the command system is vitally important, it won't move the needle and help organizations compete in new ways within a new world. Success and behavioral change in this world can only happen when we start to look in a more systemic and embedded way, taking into account the nature and tendencies of the emergent system and how people really work, not how we want to organize them.

To survive going forward, organizations must come to terms with a different set of solutions to less familiar problems. We need to focus on how organizations can rewire themselves for a new world. If the command and emergent systems drive certain tendencies and behaviors in organizations, how do you rewire organizations to enable behavioral change and long-term success?

Rewiring the Command System

Changing behaviors in organizations requires leaders to understand problems differently, by accessing the emergent system, and reshaping the command system. Given the existing power base of large organizations, you have to build behavioral change off the command system, as it is still the “big stick.” Unlocking behavioral change within organizations requires three elements of the command system to be addressed: hierarchy, power and plumbing.

To begin, you have to use the hierarchy to rewire the hierarchy. Leaders create tension. People don’t always like it, but it is the understood medium from which to drive action in organizations. Leaders typically create tension through fear or competition. Fear is the typical “command and control” world that anyone who has ever had a job knows well; competition is pitting your people against one another—for bonuses, for air time, or for clout. Leaders need to learn to access and

shape different types of tension in their organizations. By focusing leaders on their impact on the social system and, more importantly, the inconsistencies between what they say and what they do, leaders begin to understand their impact and how they operate as symbols for the organisation.

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In one large company I worked with, the CEO incorporated a standing discussion in his fortnightly executive team meeting to help his team understand their symbolic inconsistencies. These “shadow” discussions challenged the leaders to scrutinize the alignment between what they said and what they did—most leaders were grossly misaligned. During these sessions, each Executive Committee (ExCo) member shared their own perspectives of the consistency and inconsistency in their shadows, with the CEO and fellow ExCo members providing feedback. Given the power of hierarchy in this organisation, within six weeks every leadership team in the business was doing something similar. The shifts in how leaders modelled behaviors started to impact the way the emergent system interacted with the hierarchy, as they started to see the proverbial “stick” behaving differently.

In another organisation we took this a step further, requiring leaders to teach entire leadership development programs to frontline leaders. During these sessions, the leaders were required to share their own challenges and failures, and felt incredibly vulnerable. They had to listen to people's ideas and complaints without defending the status quo. What emerged from this was not a diminishment of the leader's credibility, but an enhancement of it. The emergent system resonated with authenticity and vulnerability.

This openness, vulnerability and exposure created a real connection with people that had been missing from this organisation over many years. We used the observed weaknesses of the command system—"leaders aren't perfect"—as an asset to infiltrate and engage the emergent system. The outputs were immense productivity gains from the workforce, and improvements in Employee Perception Scores as high as 21 per cent in one year. People crave authentic connection to their leaders, they want their hierarchy to engage with them around their world and their concerns.

The second aspect of the command system to address is power, and it's different than hierarchy. Without a doubt, hierarchy has power in organizations, just not all of it. As part of a major culture change in one organizations, we created the mantra, "leadership drives culture, culture drives performance." Without a doubt, leadership in organizations creates the conditions for certain types of culture to take hold, but other forms of power influence culture, too.

One of my favourite things to do with leadership teams implementing major changes is to challenge them to recognize three distinct forms of power: Hierarchy, experts, and influencers. Hierarchy is familiar enough, and it is firmly in the holds of the Command system. Experts and influencers, however, are usually understood conceptually, but hierarchical leaders can rarely identify, yet alone, name the people with these types of power.

Experts are the people in your social system with deep experience and technical know-how. Experts have deep expertise from years of experience, they have seen things before, and they typically hold a form of power because people turn to them when they need technical guidance. They may be visible, hierarchically, but frequently they are not, as they have opted for a career linked to technical proficiency, not general management.

When experts withhold their power from an initiative or a change, they craft elegant work-arounds, based on a deep understanding of the system. The dissent of experts sounds like “we tried that before” or a litany of technical limitations of the proposed changes. Experts who are not on-board are frequently used by the real agents of the emergent system, influencers, to justify inaction or the status quo.

Influencers frequently lack the experience and tenure of Experts, but they have a strong base of personal power. They are the people whom others look to “around the water cooler” to identify and discuss the issue of the day. The failure of organizations to understand and ally themselves to influencers impedes all organizational change. I have yet to see an organization that can effectively identify their influencers; let alone, leverage them effectively.

Australia Post is undergoing one of the most profound organizational shakeups in the modern era. At its core, it is trying to reshape a century-old mail delivery organization into a tech-savvy, nimble agent for 21st Century e-commerce. Part of this work has involved the organization attempting to shake up its culture. Amazon.com has demonstrated that one way to shake up a culture is to increase attrition, which Aussie Post is doing. But the other way, is to leverage influencers differently.

In deploying a revamped lens on culture, Australia Post has not relied on Hierarchy. They have used local populations to identify key, local influencers. The organization is heavily-investing in these influencers, giving them access to leaders and information, positioning them to shape the application of the culture locally, and building their sponsorship around the edges of the hierarchy. It is still early days for Aussie Post’s journey, but the approach seems to be building deeper traction in the emergent system.

The third area to address in the command system is to fix the plumbing.

Too many core organizational systems and processes stifle behavioral change, with talent and performance management the top two offenders. Talent systems are seen as vital to succession management. In the “war” for talent, they frequently represent the unhealthy core of outdated thinking within organizations. The problem is that traditional talent systems are not focused on where the war is fought, and their mechanisms to identify talent are too limited. Talent processes frequently homogenise thinking, and build deep cynicism throughout the emergent system.

In a world of seven billion people, leaner organizations, and an increasing reliance on a value chain, the talent identified is being too narrowly defined to keep pace with the demands of the world. Most talent systems don’t really identify talent; they identify people that look and think like the people in power. Just look at the failure of most organizations to make a dent in gender diversity as test case. One CEO confided that he views most of their talent decisions as “50-50 shots” so regardless of rigour, half their appointments will fail.

Performance management is the final aspect of the command system’s plumbing to address. It has been the subject of much discussion in the media recently with more and more organizations announcing their move away from traditional performance management practices. Performance management is the failed “report card” that command systems cling to in hopes of driving

performance—and they don't work. Performance management systems are one of the biggest de-motivators in modern organisational life. As one confidant in an organisation put it, “I work my ass off for a year, get my performance review, and I'm pissed off and demotivated for the next three months.” Real performance management has to house itself in the day-to-day context with discretionary, surprise bonuses, not an event that occurs once a year and which has the power to surprise and disappoint everyone.

Leveraging the Emergent System to fix the Goldfish problem

Creating mechanisms to leverage the emergent system is the other key dimension for really changing behavior in organizations. People are tribal. They typically care about and look after the people with whom they work. They distrust everyone else—whether they're from other functions, the bosses, or, worst of all, from head office!

This tribalism takes us back to our ancestral roots and how hear-say, superstition and gossip had the potential to shape behaviors in entire tribal groups. The same is true in organizations today—organisational tribes police themselves, creating a mythology about what to fear, how to act, and what to prioritise. The emergent system doesn't work to a plan. It reacts, it morphs, and it is accessed through rhythms and routines.

A focus on rhythms and routines requires leaders to look at context more fully. While many people believe e-learning platforms or social media tools will fix all ills, it's simply not reality. Most e-learning module completion rates are in the single digits (unless they're mandated, in which case they're just resented), and social media requires a drive to use it. In a world of work overburdened by initiatives, we lose sight of creating an appetite in the very people we're trying to affect. Without a focus on rhythms and routines, impacting the emergent is nearly impossible.

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Building rhythms around work is a key to engaging the emergent system. Rhythms are the regular, simple things that can be built around the patterns of work that have a huge impact. Organizations tend to fixate on events, not rhythms. I've seen too many organizations deliver “successful” projects, events, and initiatives without making a noticeable difference in anyone's work day-to-day, or adding any economic value. Annual performance reviews, budget processes, initiatives, and development programs are all examples of command system “events.” People

working in functions, or around major change initiatives become so engrossed in their own priorities, that they forget that they're trying to overlay their events on top of a natural rhythm of work that already exists.

I was working with a major oil and gas company that was struggling with their commercial deal leaders. These leaders were signing deals and being handsomely rewarded, despite the fact that the deals were unexecutable. The organisation tried to address the issue through their command system by implementing additional restrictions and approvals on deals, and by penalising bad deals (that is, “what is rewarded gets done” thinking). The result was that the organization started to lose more and more deals because they were too slow in responding and the deal leaders created a “victim” mythology about being hamstrung by the organisation.

Ultimately, we shifted the approach and attacked tribalism. The rhythms of deal leaders were changed. They were included on implementation teams for the deals they signed. This rhythm broaden the deal leaders’ tribes. The process of working in a more integrated way shifted how deal leaders perceived the problem they were trying to solve. Ultimately, it significantly improved the quality of deals they brought to the table. By refocusing on a more holistic view of the value chain and tribalism, and away from roles and KPIs, the organization got better results and real behavioral change.

Another organization I worked with was inhibited by an unexplainable (and crippling) fear of failure that was like an infection: no one wanted to admit to or look at even the most insignificant mistake. “Fear of failure” was a core facet of the emergent system’s mythology. The Business President, overcame this fear of mistakes, by creating a counter-intuitive rhythm. He required his ExCo to identify and invite a junior staff member who had been part of a mistake, to teach the ExCo how they contributed to the mistake, and what they could do differently. The ExCo repeated this rhythm meeting after meeting, for months. The first few people who went to the ExCo, mostly kids in their 20’s, were terrified. But as word spread about the nature of the discussions and the leaders demonstrated their openness to try different things, the mythology of failure disappeared.

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The challenge of building for real behavioral change lies in getting traction on the ground—most line leaders are too busy or don't care. Building the right day-to-day support from functions, using local teams to build the solutions, and creating different—locally owned--mechanisms that focus on application at work. Routines are critical to shifting the emergent system. People build ways of doing their work—they're typically “learned” through non-traditional means: observation, replicating leaders, and bad habit. Too often, we approach this level of behavioral change by focusing on competencies. I have yet to meet a line leader who cares about competencies. It is not how people work.

If you want to drive behavioral change, burn your competency maps. That might be overstating it; competency maps are really helpful for the first seven years of any professionals' career, as they build depth and perspective. But the multibillion dollar industry that sees management consultants bandying about binders of competencies as the cure-all for performance and behavioral change is dangerous and wrong. This is not how people work. People work through routines, and the challenge for anyone trying to impact behaviors is to refocus from competencies, to understanding these routines.

I'm a big fan of The Hay Group's annual “Best Places to Work” survey—with a focus on one aspect of the study: What is the biggest difference between the best places to work and their peer group? Year on year, it is their ability to localize problem solving.

Real behavioral change roots itself in employee's ability to shape important problems that they face. There is no better data-driven case for our argument. Organizations that are great places to work don't focus on events, they don't teach better programs, and they don't have better initiatives—they push thinking down into the organization by focusing on deliberate rhythms and routines. Great places to work focus on application, not abstraction. This is because real behavioral change roots itself in the mundane and the day-to-day.

Team meetings are a great example of a routine. Most team meetings are rote, boring, repetitious, non-value-add events—if you want people to start to change, you will need to shock them in routines like these. Team leaders need to be challenged to do different things with their team meetings. We rebuilt leadership and performance conversations for 12,000 leaders at BHP Billiton around six core routines. Not only did people start talking about the routines every day, but the collective interest at improving them was marked. Practical, busy leader can understand the routines that differentiate great performance—these same leaders could care less about competency maps. Leaders, across the hierarchy, were attending one another's team meetings, and shadowing each other during "Time in Field"—all with the intent of helping someone else get better, because they understood what they were looking for.

The concept of routines is pretty simple. Performance happens in a million moments, everyday. The answer to moving away from competencies is not a vacuum. It is in building a deeper understanding of which routines create the most value. Behavioral change (in leadership, sales, or functional expertise) is a bi-product of habit and context. I have never seen the actual execution of work look like what was planned. Performance and leadership are applied crafts, not theoretical ones—particularly as people get more senior. To teach a smart, capable person a binder of descriptors, and expect them to do something differently, is folly.

Your best performers execute day-to-day routines differently than average performers. Behavioral Economists study why people buy Corn Flakes, and how to drive more sales. Organizations need to use similar lenses to reshape their understanding of performance and how to shape behavior. Using a Behavioral Economics lenses, patterns in routines emerge. At BHP Billiton, this approach identified six critical routines for leaders, but it also helped us understand that the best performing leaders planned for these routines differently, and they emphasized the importance of one-on-one meetings seventeen times as much as average performers. By using their work lives and experiences to shape discussions about performance, the focus on routines infiltrated the emergent system and yielded significant shifts in performance and behavior.

Refocusing on the emergent system and rhythms and routines requires organizations to look differently at the tools that they provide. At this point, most organizations will protest that they have loads of tools for leaders. My simple retort: Do they get traction on the ground? For most organizations, they don't. Most organizations provide massive repositories of e-learning, tools, and frameworks that are never used by anyone. This is one of the biggest challenges of knowledge management in the modern world. Organizations rarely work to create appetite—a dimension sorely missing in every change management framework.

Leaders deep in the organisation lack context and resources, they're habituated to doing things in a particular way. If you want them to change, you have to provide them with BOTH practical resources AND the appetite to use them. If you want to get traction with any tool set, you have to start with the messiness of real, day-to-day work. In building one "leaders toolkit" for an organization, we leveraged a collection of 350 influential, front line leaders from around the organization to shape the tools that would improve their effectiveness in routines.

The tools they created weren't cool, and they weren't cutting edge. I was initially quite disappointed—having spent years honing and studying this sort of thing. But they worked. By providing a means for influential front-line leaders to shape and create a new set of tools, the Emergent System owned the outputs. The usage rates of these tools sky rocketed, largely on

word-of-mouth and reputation that was spread from the influencers involved. This focus on the process of building tools into the emergent system resulted in the tools becoming the most downloaded item from the company's intranet, despite being buried on the third page, with almost 8,000 downloads a month.

The biggest challenge for organizational leaders is to shift their focus away from models and outcomes, and back into context and application. To be effective, leaders need to recognize that they don't control the ways of working—the people on the ground do. Strategies, initiatives, and priorities need to be recast from the ground up, not the vision down.

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Conclusion

Organizations can be wonderful places with the potential to unlock immense value, for shareholders and for employees. Yet too often, organizations become prisons for successful adults. Our challenge is to mature our ability to look at organizations for what they are, and then build new approaches that address the nuances of how people work within them. Organizations are social systems, whose ways of working are bigger than the hierarchy.

If we really want to impact behaviors in organizations, we have to evolve our thinking and perspective to look at a new set of problems. These are problems for an era that is experiencing a seismic shift between command and emergent systems and we have to meet these problems in new, unfamiliar ways.

You can't command behavior change, but you can create social conditions that make it almost inescapable. 📌

Info

ABOUT THE AUTHOR | Todd is the founder of Like Minds Advisory, a consultancy of veteran executives and practitioners who work with organizations to think differently about execution and the human side of performance. With almost 20 years of experience in Corporate Learning and Executive Education, he was formerly the Chief Learning Officer at BHP Billiton, and an Executive Director at Duke CE, based in London. He has won numerous awards for his work, and he has worked with CEOs and Executives around the world to reshape their approaches to impacting people and culture. His work has been featured in numerous publications, and he has received global awards for reshaping learning through innovation—including, leader led approaches, the use of routines, and mechanisms to embed learning at work. He lives in Melbourne, Australia, but keeps a foot planted in the American West.

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