# Redesigning Organisations For The Cyber Physical Age – Webinar 2

Presented by Mark Priede

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# Slide 1:

## Redesigning Organisations for the Cyber Physical Age

### Elise:

Hi, I’m Elise from National Disability Services. I’d like to introduce Mark Priede from Bendelta, who is here today to present the second webinar in a series of three on redesigning organisations and leaders for the cyber-physical age.

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## Organisational architecture

### Mark:

Great, thanks Elise. Well, welcome everyone to the second webinar on the series on organisational architecture.

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## Your Host

So just to recap on myself for those who missed the first webinar. My name is Mark Priede. I’m the principal consultant with Bendelta. We’re an organisation whose purpose is helping to realise the full potential of individuals, organisations and teams.

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## Outcomes for today

So in webinar 1, we discussed the critical capabilities we believe are critical for organisations to succeed in the cyber-physical age. Today the outcomes we’ll be looking to fill are:

1. Understanding the role of organisational architecture in the realisation of human potential;
2. Understanding how you can address three key areas to unleash the potential of your people, and I’ll be covering off on culture, structure and systems.

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## We believe realising the potential of your people requires two areas of focus

So just again a recap from the first webinar. I talked about the concept of potentiology, and that we believe in terms of real life being able to realise the full potential requires two areas of focus, one being organisational architecture, which we’re covering off today, and in the third webinar series we’ll talk about leadership and capability development.

So for organisational architecture, we believe that the following key shifts will be needed to be made by organisations.

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## Organisational Architecture – Shifts Required

These are:

* Changing your fundamental model of the business from industrial age to a cyber-physical age model;
* Creating an environment for world-class performance for optimising the key drivers for peak motivation;
* Fostering collaboration to achieve the exponential effect of people combining their own potential with those of others;
* Embedding development and growth drivers in business-as-usual activities so that every contributor is getting closer to their full potential every working day;
* Removing the barriers that are causing talented people to under-reach their potential; and
* Resolving conflicting priorities, incentives and communications regarding the role of human potential in the organisation’s success.

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## Question

What I would like you to do as you go through the webinar today is just to reflect on where do you see some of the biggest internal barriers for yourself and your organisation to operate at a higher level of performance? Is it in your systems? Is it the culture? Is it the way your organisation’s structured? So we’re covering off these in some more detail and hopefully giving you some ideas and some thoughts as to how you can take these back to your organisation.

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## Organisational Culture – A Definition

So I’m going to just kick off with culture, and it’s probably useful to start off with a definition of culture, and this one is a common definition in that we can define culture as “a system of shared assumptions, values and beliefs, which governs how people behave in organisations. These shared values have a strong influence on the people in the organisation, and dictate how they dress, act and perform their jobs. Every organisation develops and maintains a unique culture, which provides guidelines and boundaries for the behaviour of the members of the organisation”.

There’s a saying attributed to the management guru, Peter Drucker, that culture eats strategy for breakfast. How often have you seen or been involved in great strategies, and then seen the best intentions undone by misalignment with culture? So many organisations I work with set an intention to achieve cultural change, whether it’s around being more innovative or empowering staff at all levels in the organisations, but they don’t do the work necessary to actually address the risk-aversion that gets in the way of innovation, or they maintain the command and control structures and directive management that stifles people being able to operate autonomously.

So you’ve all got cultures now. For some of you, if you’ve done well, your espoused culture will match the reality for the organisation. For the others, you may have identified there’s a gap between what you would like your culture to be and what that actual reality is. If a shift is required, then you might need to consider how do you actually go about making that change?

### Elise:

Mark, I understand you were involved in a multi-year culture change project at ANZ. What did you learn from that experience?

### Mark:

So I had the benefits of spending time – spending a good nine years working on a massive cultural transformation project at ANZ Bank, going back a couple of decades now, but it was one that ended up winning quite a number of awards and was used as a global case study at Harvard for a number of years as well. So it certainly gave me some insights into what works, and obviously what doesn’t work in terms of effective cultural change.

I mean, the one thing I will say is cultural change is extremely hard, and it does require a relentless focus on multiple change levers. Now, there’s one particularly useful model I’ve worked with that we used at that time, and I’ll provide that as a frame of reference today and one that you may find useful in considering how to implement cultural change in your organisation.

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## Culture – Four Key Change Levers

So this particular model, known as – as adapted from McKinsey’s four levers for change, and it particularly addresses, I guess, four levers that all need to be pulled in order to provide you with the best chance of success in a cultural change or transformation. Now, what all too often happens – and I’m sure many of you will be able to relate to this – is organisations can do a very good job at pulling one, two, or even three of the levers, but will miss out on the final one, which ultimately may cause the desired change to fall over or not achieve its optimal objectives.

So going through this model in a little bit of detail, it starts off with thinking from the perspective of what are the critical behaviours that you’re looking to change? Now, if we go back to the first webinar and thinking about the capabilities that you’re looking to develop in your organisation, then translating those into behaviours in the culture, firstly getting crystal clear on those and then addressing each of the levers in turn to ensure that you’re able to make those desired behavioural and mindset changes.

The first lever is storytelling and communications, and that’s ensuring that everyone in the organisation understands what the desired behaviours are and it actually makes sense for people. So all the organisational communication and stories must reinforce and build that narrative to support the desired culture. So if you’re going to – if you’re talking about developing a culture of customer-centricity, then you need to make sure that you explain why that’s important to your organisation, and then as you start to make the shift towards that culture, that you’re building up your stories, you’re building up your narrative around demonstrating examples of where that’s been successful and why it’s important, and continuing to reinforce that through the journey.

The second lever, and one that will quickly cause your transformation to fail if it’s not addressed is the role modelling. Particularly for leaders it’s important that what you’re saying is the desired culture, what you’re espousing is the particular behaviours that you would like to see in the organisation are being modelled by all the leaders in the organisation. Again, as humans we have a natural tendency – we’ll look to the senior people in the organisations, we’ll look to those of higher status to see how they’re behaving, and is it consistent with what they’re saying. People are very quick to pick up if there’s inconsistencies in the behaviours and leaders aren’t role modelling that. So again, important that everyone’s on board and that they’re all acting in accordance with the values.

The third element is identifying where there are going to be some specific development interventions required to build the capability of staff to be able to be part of and exhibit what you’re asking for in the new culture as well. So it might mean particular training. It may be, if you identified you’d like to see a greater level of customer-centricity, then it might mean providing particular interventions that develop those skills in staff.

And the fourth element is making sure that there aren’t inconsistencies in your internal structures, processes and systems that actually get in the way of creating the desired culture. So formal mechanisms such as reward systems, decision-making authority, they all need to align to the desired culture. Again, an example many of you will be familiar with with some of the recent issues within our financial services industry is seeing a misalignment between an espoused culture – again, I don’t think you’ll find any bank or financial services institution that wouldn’t consider customer-centricity as one of their core values, but unfortunately you would see things like the reward systems actually rewarding staff for behaviours that were at odds with that, whether it was potentially selling products that the customer didn’t need and being rewarded for that was clearly causing a conflict between the desire around the culture and what the actual reality was, or what the organisation was rewarding.

So again, that can be a useful model for considering in your own cultural change.

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## Structure – Remove Barriers to Key Motivational Drivers

The second aspect I’d like to talk about is structure, and about removing those barriers to key motivational drivers. So this is often one of the biggest impediments to unlocking your peoples’ potential. Most organisations maintain hierarchical, silo’d forms that can actually constrain people from collaborating and connecting effectively, or they stifle innovation and the ability of your staff to be responsive at the front line.

They don’t address some of those intrinsic motivational drivers as identified by Dan Pink and others: our need for autonomy; our strong desire to be self-directed; our desire to develop competence, to be good at stuff that we do; the importance of relatedness and purpose, that we’re actually in organisations where we’re able to connect to people and feel like we’re able to develop friendships; organisations that have a purpose and some meaning that can get us out of bed in the morning. Too often these motivational drivers aren’t explicitly addressed within organisations. As Tom Peters said, “Best to concentrate on a few things but allow astonishing freedom for people to play the game within those few bounds.”

One organisation I became aware of during our work in developing the Leading for NDIS Transformation program was JP Van Der Bent, a Dutch disability services provider that made significant structural shifts to foster potentiation.

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## Structure – A Case Study (JP van den Bent)

And I’ll talk about this in a little bit of detail, and I certainly think they’re a case study that’s worthy of examining, and there are some resources available. I believe there’s an NDS case study on this particular organisation. So let me give you a little bit of background and talk about some of the shifts that they made within this organisation.

So JP van den Bent have a revenue of about 100 million euros and around 2,700 staff in 200 locations, and providing services for about 4,000 people with mild to very complex and multiple intellectual disabilities across all ages. Some of the services they provide include crisis care accommodation, day activities and employment, respite, skill development, in-home support and supported accommodation. Now, JP’s purpose is to support people in being who they want to be, what they want to do, and what they want to learn, taking into account the client’s relationships and environment.

Now, people having control over their own lives is a key principle for JP, and employees support this by being there for clients with personal attention, respect and professionalism. So this principle caused them to reflect on their structure, and they decided that the front line needed to be able to work with clients more autonomously define and develop the most suitable support options, and for this to happen staff needed to have clarity of the purpose of their job and be able to take responsibility and ownership of their day to day work with clients.

So they began by questioning what prevented staff from doing this, and they concluded that the large amount of rules, procedures, processes and staff support functions were actually not helping but hindering staff in their thinking and their ability to act in developing and implementing what was needed with clients and their families and carers. So they recognised their model was limiting that intrinsic motivational driver of providing autonomy.

So they decided to take a bold step, and essentially they flipped their organisational model, placing clients and frontline workers at the top…

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## Structure – A Case Study (JP van den Bent)

…and then worked with staff to identify the requirements for them to work more autonomously. Now, while providing staff with much greater autonomy, Van Der Bent doesn’t work with fully self-managed teams, so locations do have a coordinator who is responsible for the location together with their team, but their primary task is to facilitate decision-making at the front line. They enable the staff to work out with clients and their families and carers what’s needed and how to arrange that themselves.

So these teams are not only responsible for finance and procurement, but also for things like HR matters. They do their own recruitment, with the location coordinator only supporting when needed. Now, the location coordinators are supported by regional coordinators, and these regional coordinators report to the Board of Directors. As to their central back office, it only has a bare minimum of functions in finance, HR and client administration and doesn’t have a procurement, IT, communication or marketing department.

So the results have been telling. Making the front line responsible for their own service delivery has made people more involved and engaged in their work. Staff are encouraged to share their problems with their team and find solutions together. They’ve developed a strong culture of colleagues holding each other accountable for their work and addressing problems directly with the people involved. Passing on your responsibility to others and not owning the consequences of your actions is not acceptable.

This approach has increased the quality of service significantly, with everybody knowing their role and taking that role very seriously. JP van den Bent now lead the sector in client and employee satisfaction, winning awards as one of the best employers in The Netherlands.

So certainly, again, a case study of an organisation that potentially made a radical shift in flipping its structure, but have realised the benefits through that of being able to really tap into some of the core motivational drivers of their staff.

# Slide 13:

## Systems – reviewing your employee experience

The final area I want to talk about today is the extent to which your organisational systems and policies interfere with your staff’s ability to perform at their best. Obviously in a sector such as disability you’ve got significant compliance obligations, and there are many associated policies and processes that go along with that. But one area that’s important to review when considering how well your organisation is set up for unleashing human potential is your people systems. To what extent does your employee experience enable your staff to perform at their best?

Now, one particular framework that I use, and have worked with a number of organisations in considering their experience, maps out a number of the elements of the employee lifecycle. And it’s really about thinking about your employee experience exactly in the same way as you would your client experience, understanding what are each of the touchpoints that your people have withyour organisation. Sometimes you’ll hear the terminology used, “Moments that matter,” and to what extent are each of these touchpoints being optimised for your organisation, i.e. in which way are they providing either a positive experience for your staff, or potentially a negative experience which may lead them to either disengage, or to an extreme level, ultimately leave your organisation.

So a very good place to start sometimes in your organisations is by walking through each of those elements of your employee lifecycle and identifying where there are either – where are your strengths? Where are the things that you want to make sure you can keep doing and continue to enhance, but where potentially are there some weaknesses or areas that you need to address? So I’m going to briefly walk through each of those, just to get a sense of each of those particular touchpoints.

And we’ll start with the first one, which is attraction. Attraction refers to what are you doing to let people know about your organisation? What’s your employment brand? What is it that you say to people about what is the promise should they join your particular organisation? How do people know about you and what you stand for?

The second element is ideally people see you as an attractive place to work, so when you’re actually posting job opportunities and you get a lot of people responding to those, it’s then thinking about how do we go about selecting the right people? What are you doing in terms of your processes that make sure you have both the capabilities that you’re looking for, but also importantly when we talk about culture, how do you ensure that there’s going to be an alignment to your culture as well? So what are you doing in that respect? What are you doing in terms of your interviews, your processes, the involvement of staff, even clients, in those processes to help make sure that you’re actually selecting the right people for your organisation?

Once you’ve done that, what’s your on-boarding processes like? How well are you setting people up for success in your organisation? Again, too often I go into organisations and people arrive at work on day one and they can’t get access to systems, there’s no one there providing – they don’t have a buddy or someone to help them through some of the questions or issues, they’re unclear about what they’re meant to be doing. So the whole process – the whole starting-up process starts with attracting their experience from day one, so what are you doing to set your people up for success?

The fourth element is care, and care refers to care throughout their employee journey. What are all the policies, the practices that you have in your organisation that show that you value and care for your staff and support them in times of need? And that can be things as simple as what your leave policies are, whether it’s for taking carer’s leave or the ability to take extra annual leave. It could be what processes you have around providing well-being support, flexible work practices, all those type of things that show that you care for your employees and are providing an environment for them that can address issues as they come up.

The fifth element is career progression. So what opportunities are there in your organisation? So where can people, as they develop in their time there, what are the opportunities that they can take up and progress through the organisation.

And the sixth element goes to development, so what are you doing to develop your staff and maintain their skills, keep them current, and ensure that they’re actually skilled at those capabilities that are critical for your organisation.

The next element is the performance management, and to the extent to which how do you let people know how they’re performing? What are the processes for providing feedback and giving people the opportunity to understand where their gaps are. What are the areas that they need to improve in so that you’re constantly being able to optimise performance.

And then the final element is the reward. What are the tangible and intangible elements of your reward systems, from your remuneration through to the recognition programs and the pats on the back that are equally important in helping people feel valued in your organisation.

So again, one of the questions that I ask people in organisations to consider is: If you were to evaluate these, consider which of these are your strongest? Which of the ones that are enabling your people to flourish? And which are your weakest? Which are having the greatest impact on your ability to attract and retain staff?

### Elise:

Thanks, Mark. What would you like to leave the participants with today?

# Slide 14:

## Systems – Reviewing your employee experience

### Mark:

So this might feel a little bit overwhelming, and you might be asking yourself where to start, but for me it all starts with a conversation, and it’s one that we encourage Boards and their executive teams to be having.

# Slide 15:

## What now?

We’ve consistently found from our research that the organisations that are clearest on and have invested in creating the fertile soil for their staff significantly outperform their peers. Now, under NDIS this is now something all of you need to focus on, and it should mean that your ability to create value for your clients is greater than ever before. So interrogate your current reality. Understand to what extent is this happening, and to what extent, or what are the things that are getting in the way that you then need to focus on?

# Slide 16

## National Disability Services

NDS is the peak body for more than 1,000 non-government disability service providers and is the only organisation that represents the full spectrum of disability service providers across Australia.

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