

# HRD

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## ROUNDTABLE

MANAGING & PLANNING FOR BREXIT - HEADLINED THE BIG DISRUPTOR, EXIT ALSO PRESENTS NEW COMMERCIAL IMPERATIVES

RACHEL LOCK, HR DIRECTOR - TSB BANK

## { SAFE COMBINATION }

“OUT WENT 30 TARGET-BASED BONUS SCHEMES, IN CAME ONE, FLAT TSB AWARD, BASED ON PROFIT SHARE”

### ALSO FEATURED IN THIS ISSUE

**CHANGE MANAGEMENT** Even when change is forced upon us, it most often challenges us to do better, if only to ensure survival

**APPRENTICESHIPS** Once viewed as a crucial investment for the future, the levy will cease to be regarded as a 'learning tax'

**MERGERS & ACQUISITIONS** Despite all the compliance pitfalls, most M&A deals fail because of unresolved cultural issues

**EMPATHY** If someone falls through ice, empathy is throwing them a branch, sympathy is jumping in with them



# PRIMEVAL SUITS

*As humans, we are instinctively wired around two things - opportunity and fear. It's why we are distracted as someone passes the window and why we are fearful and defensive when we feel threatened. Our corporate environments - and world - are in a constant state of flux, and for me, there's one very simple thing that has always been at the heart of change, human nature.*



ARTICLE BY JANE SPARROW, DIRECTOR & FOUNDER - THE CULTURE BUILDERS

Change management itself is almost a dying trade that is rapidly being replaced by "schools-of-thought" around change leadership, agility and collaboration. Whilst it seems that everything in life is changing very quickly, mainly driven by rapid technological development, as human beings, we are not. Of course we do change and evolve, but not at the speed of everything that is changing around us - we remain human at heart with basic needs to feel valued, communicated with and respected. Therefore, when we think about change and the fact that ultimately, aversion to change is a human condition, why do we try to manage it in a systematic, process-driven way? This is undoubtedly the reason behind the fact that 70 percent of change programmes fail. A major financial service organisation was about to merge with another company. Essentially, the employees had been told that, as a

consequence of the merger, their organisation wouldn't exist much longer. The leadership team were concerned about systems, processes, work streams and structures. I had to ask "where the people came into it all"? What's the message people are receiving about why this is happening? What impact is it having on people? Each member of the leadership team had a different answer. The 'People' work stream wasn't about how they were going to lead people, retain and manage their talent or keep people engaged and motivated - only how they were going to be TUPEd across.

The big takeaway here is that, like so many other organisations managing change, 90 percent of the conversation in the room was about the 'what' with nowhere near enough focus on the 'why' or the 'how' in human terms. The 'why' part of the story is so often lost in the eagerness of the communicator to explain what

is happening and what it means for the individual. However, the 'why' is the context and can make the difference between acceptance or rejection of change. The 'why' is rooted in the emotional and is the part that, as human beings, we actually crave the most. Ultimately, what makes us human is our emotional response to things. We all know the famous quote around life being ten percent what happens to us and 90 percent how we react to it and this is exactly why the 'what' needs to start taking more of a backseat in the context of change. One great example of this was when Pfizer acquired Wyeth Pharmaceuticals. Day one of the merger was celebrated across the world and the Wyeth brand was quickly replaced by the Pfizer one. In terms of speed, focus and general treatment of those involved this was a successful transition but, like so many situations like this, what kept coming

back to the surface was a myriad of small things and individual, human responses to specific changes.

One issue that emerged was, of all things, bins! The legacy Wyeth offices had been wedded to individual desk bins but Pfizer's firm and comprehensive recycling policy required central bins. In a swift, process-driven move, all individual bins were taken away. What seemed on the surface to be a very simple change had an unexpected effect as legacy Wyeth staff firmly kept hold of their own bins. There had been no consideration of the people factor and the necessity to explain the 'why' behind the personal bin removal - it was a clear negative human reaction to a further loss of control. The change was a far more complex issue than waste management. Ensuring leaders and people managers are equipped to deal with what are very human reactions to change is an area that is hugely neglected. Leadership behaviour in the context of change needs to be far more intentional to spearhead a positive, human focused journey. Leaders and managers need to have both the competence and confidence to think carefully about the change they are leading. The process of change itself can be a great opportunity to develop your managers into better leaders and people managers - it's called change readiness. We created a workshop around managing change for people managers at a global electronics company we worked with, as part of a restructuring process. It came from the restructuring (or change project) budget, had a massive impact on how the change was able to be managed, including the quality of care taken with people and it resulted in a group of people managers who felt confident to manage people (in a very human way) during the process of change and far beyond. They became better people managers all round.

I know from experience that successful change will only happen if the human factor is carefully considered and managed but what does this actually look like? It means leaders coming into board or management meetings and talking about the human factor. It means investigating what is putting people into a fearful state and causing them to be defensive. It means exploring as a management team what the language around the 'why' is going to be so you know you have it right as a group. It means ensuring the comms element is well thought through and there's a constant drum beat to keep people feeling informed, even if there's nothing new to say. During the high profile merger with Lloyds, people felt disappointed and let down by the process of the merger but it was important that didn't affect customer satisfaction and business performance. I'll always remember Gordon Lyle, then Human Resources Director for HBOS, describing to me how great leaders in HBOS instinctively communicated constantly with clarity and consistency. He detailed how line managers "brought their people together and talked with empathy about how they understood the merger was causing anxiety but that until we had answers to the big questions, we had the opportunity to feel more positive by channelling energy into continuing to do what we do,



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Do your peers and colleagues fear change in your organisation?



to the best of our ability. It made a huge difference to the way people felt and the performance of the business during a very difficult time". If we look at change through the lens of this theory, we begin to see the importance of making people feel safe during change and the potential value of using change as an opportunity for people.

A global healthcare organisation was due to lose one of their teams in the UK as the function was being relocated to Eastern Europe. The continued performance of the existing UK team ahead of the move was vital to the success of the restructure and transition, so the change had to be managed carefully. The team were briefed upfront on the move and, using learning and development as the key driver, presented with a range of development opportunities that the next year would bring for those who wanted to stay and assist with the transition. Including inspirational speakers, a suite of training programmes and the opportunity to gain recognised qualifications, the team felt valued, engaged and motivated by the opportunity to develop themselves as part of the change. Within the three pillars of change - what we believe, how we behave and the tools we use - far too much emphasis is being put on the tools we use i.e. process, systems and action plans. Leaders need to give much more intentional focus to what the human impact of change is and what the human reaction is likely to be. We need to win hearts and minds by recognising we are emotional creatures and intentionally invest in leaders and managers to remind them of that. Leadership today is about building trust, investing in relationships and engaging people constantly, not just around a change plan. In order to master change management we need to get back to basics on human nature. ●

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