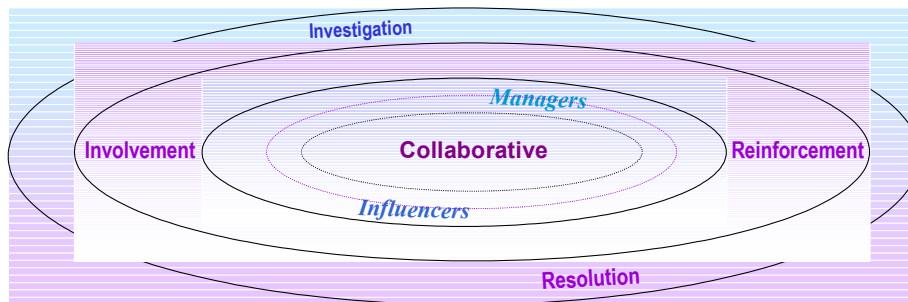


## How informal networks can lead organisational change

Our comprehensive *people-focused* approach to creating high-performance organisations can be summarised in a single 3-layer diagram:



**The inner collaborative layer is based on identifying the *real* change agents in the organisation.**

Traditional change management techniques have missed something fundamental about people in change situations. Only in the last decade have we been able to identify this missing link and develop techniques to address it effectively.

Put simply, this change management missing link can be summarized as follows:

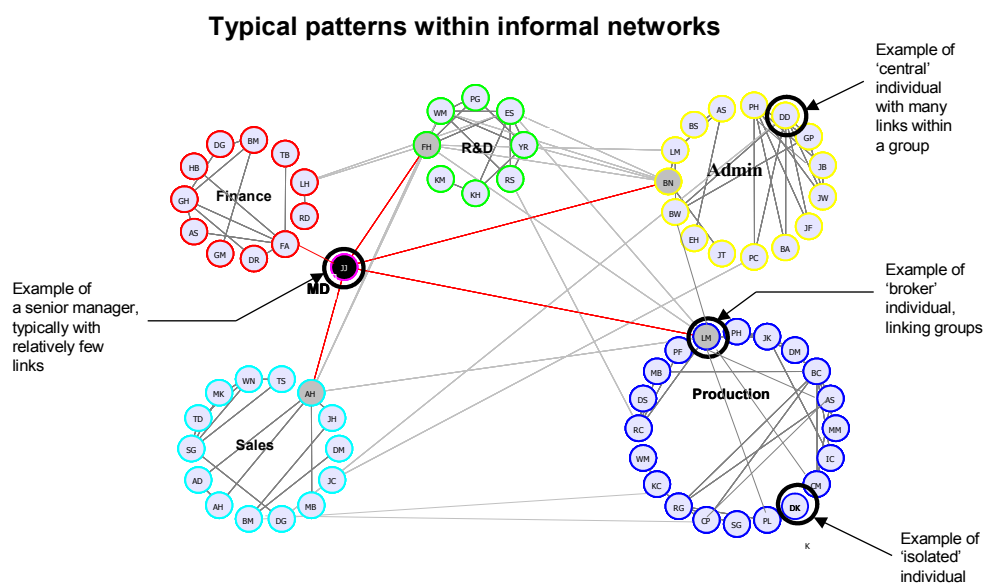
- The (designed) formal management organization determines the overwhelming majority of day-to-day activities and operational decisions. The formal organization holds sway right across all routine aspects of the business, from operations staff and accountants, through to IT and sales staff. (Organizational *design* is about providing stability, predictability and repeatability – the exact opposite of what transpires through any change process..
- A shadow organization of influencers and those with extensive personal networks (with typically a 60 per cent+ mismatch to the formal management structure) largely determines *the scope and pace of change* in the way that the business operates. Communication between this shadow organization and formal management is usually heavily distorted by personal and group 'politics'.
- Only when change-positive balances of opinion exist in *both* the formal senior management organization and in the informal 'key influencer' organization can (people-disruptive) change be successfully implemented. Where the shadow and formal organizations come into conflict in a change situation, the balance of influence in the shadow organization will almost always win the day.

The *real* change agents in an organization are two subsets of the key influencers in the shadow organization: namely those who are both influential with colleagues and by nature change positive *plus* those who are both influential with colleagues and by nature open-minded on change. (Often, it is the latter category that determines whether a critical mass of employee opinion in favour of change is achieved, creating an effective tipping point in practical support levels.)

Experience in change programmes shows that where (particularly) first line managers are also *real* change agents, change implementation occurs much more smoothly – any problems that arise are resolved effectively and both employee attitudes and behaviours are consistently positive. This applies for both existing first line managers and for those that are promoted into these roles (from within the relevant group) in anticipation of the proposed changes.

Although the effectiveness of *real* change agents is most noticeable in large change programmes, these key individuals can also be highly effective in driving innovation and continuous improvement initiatives.

We use a highly-flexible suite of software tools to analyse and map influencer, communication and other relevant networks – see below:



Note: This type of informal network diagram can be produced by a wide variety of organisational 'scans', ranging from the identification of key influencers, through communication, knowledge and data sources and value-added patterns, to problem identification and analysis. Changes in specific analysis patterns over time can indicate the success or otherwise of interventions/remedial actions.

Software used: Magus Networker

**The middle - involvement and reinforcement – layer shows how to use both selected managers and *real* change agents to drive effective change**

### *Involvement*

By engaging relevant managers plus local *real* change agents and genuinely involving them in change decisions, the initial objective is to win their 'hearts and minds' in favour of the relevant - sometimes modified and improved - changes.

As a natural consequence of change-positive influencer support, the views of the colleagues that they in turn influence become increasingly supportive.

Following on from engagement of change-positive influencers (and sometimes in parallel with it), relevant open-minded influencers are also engaged to win their 'hearts and minds' in favour of the relevant changes – with a similar follow-on impact on colleagues that they influence.

As well as using these key individuals in change teams and other change programme/continuous improvement roles, some of them are used to formulate, support and drive effective change communications through both informal networks and formal communication channels. Timely feedback on key issues and concerns as these emerge also provides an invaluable 'leading' indicator for rapid, effective action.

### *Reinforcement*

Culture change is all about changing the way that people behave in the work environment – not just what they do but the way that they do it.

It is not possible to impose successful, practical culture change through senior management directives. A broad consensus across managers and staff at all levels is required before people are willing to consistently change their underlying behaviours – for example, being more innovative, more agile, more customer-focused, being easy to work with (rather than difficult), and so on.

The first step in building this consensus is to get senior management buy-in to the need for a new culture and the process for making the necessary changes. This will involve delegating considerable responsibility to selected influencers, who will contribute to the creation of the new culture vision and (particularly) its implementation.

In several 'waves', location-by-location, influencers and managers (led by the senior management team) then participate in starting the implementation of new behaviours within the day-to-day work environment. Behaviour changes are based on day-to-day 'reinforcements', where positive cultural behaviours are supported and destructive behaviours challenged – usually informally – by influencers and managers as these occur.

Managers and influencers exchange experiences and support each other throughout this process. The numbers of daily reinforcements are measured and, together with experiences, are discussed at monthly culture team meetings. The most encouraging aspect of these behaviour-changing exercises is that (despite some limited backsliding) positive behaviours become embedded even when the formal reinforcement exercises cease.

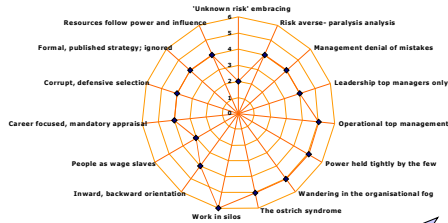
By using effective change coordination mechanisms across influence networks, large and controversial change initiatives can be successfully implemented, even where the initial balance of employee opinion is change negative. Employee morale rises consistently every time that influence networks are used effectively.

In carrying out effective culture change, we use software based on the identification of underlying behavioural 'permissions' that drive day-to-day employee behaviours – see example below:

## Differences between staff and senior management culture analyses

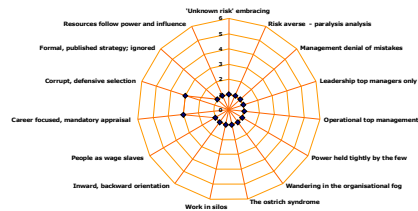
### Culture Questionnaire: Staff

Structural Analysis: Department = All, Job Levels = 5



### Culture questionnaire: Senior management

Structural Analysis: Department = All, Job Levels = 1



## The outer – investigation and resolution – layer uses a combination of web-based software and workshop analysis

Problem investigation and resolution is the outer layer process of our approach. It focuses on people-related problems that may arise during the implementation of major and continuous organizational change.

Our 'informal network' tools are web based and come in two types – targeted and open analysis. Targeted tools are aimed at identifying common problems and constraints that may exist in your organisation, such as poor information flows across functional silos, an excess of 'micro managing' or poor strategy communication through different areas of the business. Open tools can be tailored to address specific problem areas, such as slow new product development, a quality problem or a decline in productivity in a back office. The open tools typically enable relevant employees to identify what 'should be happening' – who should be collaborating with whom, is the problem focused in one area or more widespread, how much discretionary effort is being expended to rectify a specific poor process or system, etc.

*Real* change agents are used to identify the most relevant sample population for using these analysis tools and participants are always included in follow-up workshops to review the information generated, interpret it, highlight problems, analyse the cause, and identify opportunities and solutions. In these ways, the high error rates associated with traditional 100% or representative questionnaires (particularly when dealing with sensitive issues) are largely eliminated.

### Helicopter view of Influencer engagement Process

