



# Surviving Disruption

The change management implications for organisation culture.

Leo Wilson  
Director

Leo@WillowConsulting.com.au  
www.willowconsulting.com.au

Vaughan Smith  
Director

Vaughan.Smith@SourcePeople.com.au  
www.sourcepeople.com.au



# SURVIVING DISRUPTION

The change management implications for organisation culture.



Have you ever noticed changes happening in your organisation and no one wants to talk about them? Changes like business being tight or costs needing to be reined in but no one seems to know how to achieve this? Well you know others in the market are doing it tough. So you think there is nothing you can do about the big picture anyway. You decide to focus on what you do best and strap yourself in for the long haul. Then one day just when you are feeling like you are making a real contribution to the business – bam! The disruption you thought would never happen, just did.

In his recent book QF32, Captain Richard De Crespigny, describes how he averted one of the world's worst air disasters by taking control. De Crespigny discusses his thought process and feelings after one of the engines blew up, in the A380 he was flying. Fires erupted. Shrapnel exploded in all directions rendering critical systems inoperable. Cockpit alarms went off. There was complete mayhem around the pilot.<sup>1</sup>

As he came to grips with the rapidly changing conditions of the A380 De Crespigny asked himself a number of questions. How can we get through this? What is important right now? How should I prioritise the next actions? In amongst the chaos De Crespigny realised a very simple fact. He was foremost the pilot, whose primary objective was to “aviate, navigate and communicate”.<sup>1</sup>

The way in which leaders respond to changing conditions in the market can greatly impact organisation culture. Sudden market changes can put immediate pressures on cost. Leaders often respond by reducing one of their greatest costs, staff. But, if leaders ask

themselves clarifying questions before taking action to reduce the workforce, they could get through the process and reinforce the organisations culture at the same time.

Just like the pilot who responded to sudden change by taking control, leaders need to keep running the business as usual (aviate), plan out the course that will achieve overall objectives for stakeholders, customers and staff (navigate), and keep the stakeholders informed of the changes and plans (communicate). When leaders become inwardly focused during times of intense change and fail to communicate, they can damage the culture in ways that are almost irreversible.

In today's volatile market many organisations manage their cost base by increasing fulltime staff in times of high productivity and laying-off staff when times are tight. On the other hand resource companies in the mining industry manage the rise and fall by employing a larger number of contractors versus permanent staff while many government organisations will outsource services to reduce costs.

Whichever staffing model an organisation adopts leaders must realise that the way in which they communicate in times of business disruption/change, can impact the organisation culture and even the brand position in the market.



In the cockpit of flight QF32 there were a number of experienced pilots present when the engine exploded. Captain Richard De Crespigny discussed his intended actions with those present in the cockpit, his leadership team. He made sure they were aligned with his strategy to safely land the plane. De Crespigny also assigned tasks to the cockpit team in a way that ensured each understood their role and what was expected of them. Because of the complexity of the problems ahead the pilot wanted to ensure all leaders were aligned and committed to his course of action.

In times of unexpected business disruption leaders need to be aligned to the strategy. They need to agree the course of action so that collectively and individually they support the message delivered to staff or other stakeholders. Leaders also need to address sponsorship. They must agree on the way in which they will demonstrate support or sponsor the new objectives and understand how they will contribute to the change process. In times of sudden disruption it is even more critical that this process is as transparent as possible.

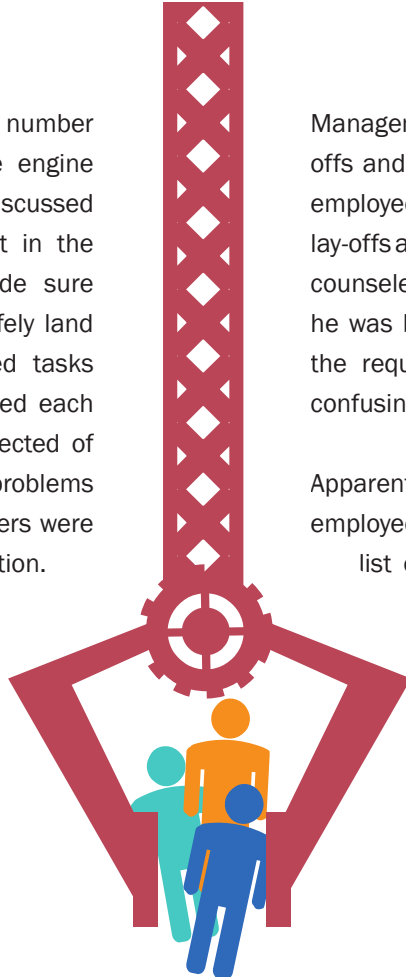
In a discussion about workforce disruption with the Director of Source People, Vaughan Smith, he mentioned a recent experience when a company failed to achieve both leadership alignment and sponsorship. It resulted in the loss of a good employee. One of Vaughan's clients was employed in an IT role with a large corporate. The employee was receiving the message that he was doing a great job and making a positive contribution to the team's achievement of objectives. But, without warning business-as-usual was severely disrupted.

Management announced impending staff lay-offs and Vaughan's client was one of the targeted employees. The staff were not given a reason for the lay-offs and were only told it was necessary. Vaughan counseled his client to ask the HR manager why he was being made redundant. After investigating the request the HR manager responded with a confusing message to the employee.

Apparently there was a mix-up and the 'valued employee' in question was not meant to be on the list of staff to be laid off. Unfortunately the employee could not keep his current role however, and would have to take on an alternate position in the business. Imagine how the employee felt at this time after receiving the mixed messages over the past few weeks. At this point the business disruption was even greater than it needed to be, due to poor leadership alignment.

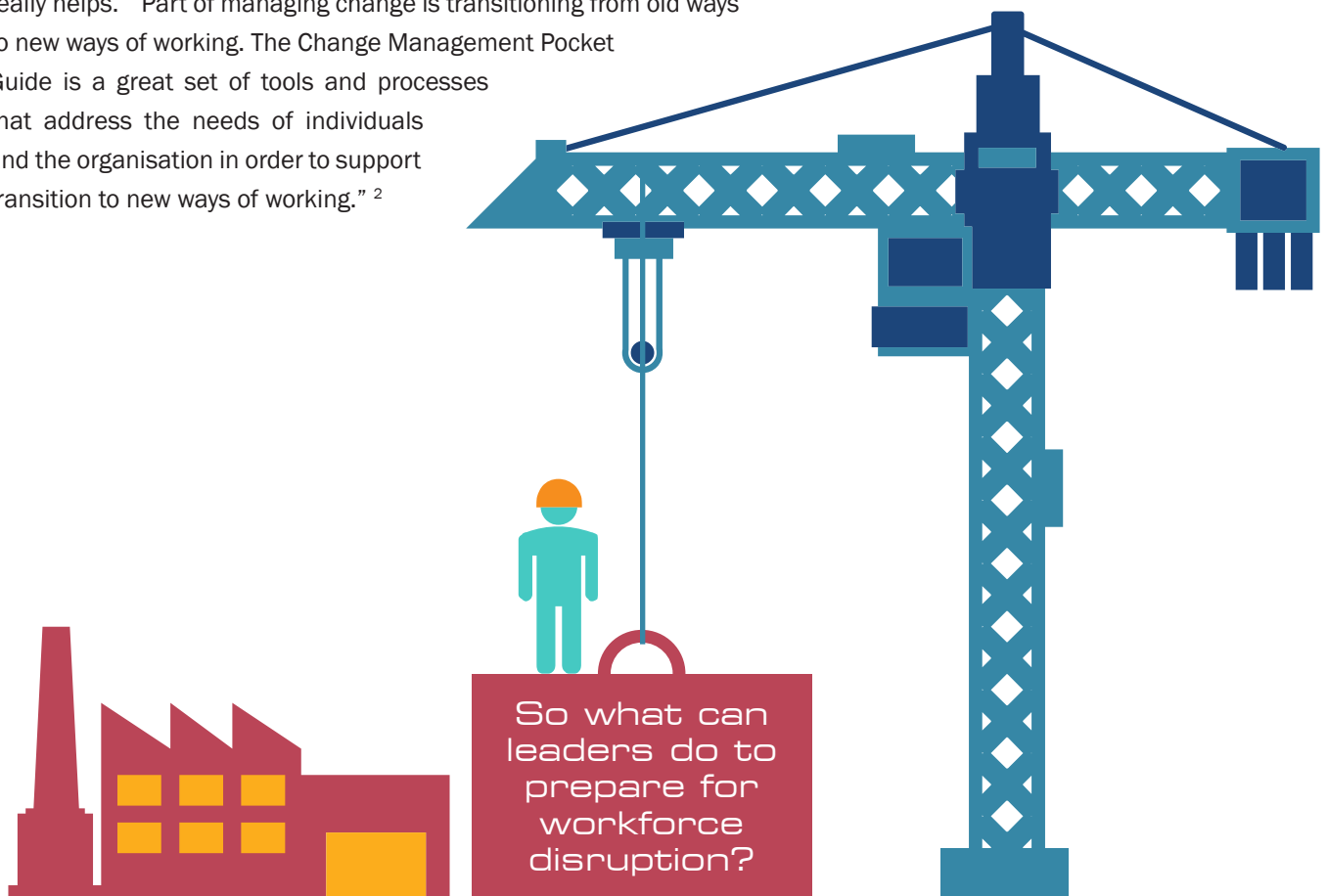
The business leaders failed to communicate the short to medium term business objectives that would get them through whatever market pressures were driving the changing environment. They did not allocate roles and resources to managing the staff expectations. For example what was the role assigned to the HR manager during this disruption? Whose responsibility was it to advise the business as to why the change in staffing was necessary, and what the implications were for the business?

Vaughan Smith continued with his story, "It appeared that HR were not closely involved in the planning. The employee felt that if this were how the organisation behaved, he would leave the company. Not only was that a loss to the company, in the short term, I believe poor leadership damages the organisation culture in the long term."



Vaughan said, “When interviewing prospective employees who are looking to build their career, they ask about what type of company I am introducing them to. To them the culture is very important. These candidates want to be a success in their new role and they understand what part leadership and organisational culture plays in their success!”

From a change management perspective I see things like this happen frequently. People can get in their own way. They know what to do but just don't do it. When this occurs having a method to follow, really helps. “Part of managing change is transitioning from old ways to new ways of working. The Change Management Pocket Guide is a great set of tools and processes that address the needs of individuals and the organisation in order to support transition to new ways of working.”<sup>2</sup>



Develop the skills in times of business-as-usual. Train for this sudden event in much the same way an airline pilot trains for the unexpected, using a flight simulator. Leaders can prepare for disruptive events by taking a training course in change management. This will help ensure that leaders are using a common language, which increases stakeholder confidence in what leaders do and say.



Recognise that in times of change you will be monitored by staff. Ensure all leaders are consistent with the message they are giving to staff and customers. Tell stakeholders what will change and what will stay the same. Both are equally important for a balanced message.



Understand the impact that poor leadership has on organizational culture. If your culture is one that is built on trust, then in times of sudden disruption you have the opportunity to prove to employees that they are valued. This applies to all staff. Those being laid off and those remaining. The more personal baggage you give to employees that you are laying off the more they take with them. They could end up working for a competitor, supplier or customer. What message about your organisational culture would you like them to take out into the workforce with them?

Airline accidents happen for a whole bunch of reasons and also workforce disruption happens for a whole bunch of reasons. Workforce disruption can result from mergers, acquisitions or response to market dynamics. It is possible for leaders to get through the disruption and maintain their credibility with staff and customers, if they share the 'why' with stakeholders. Why is this happening and what are the implications for staff and customers?

Following the critical landing of QF32, the pilot spent hours in the airport debriefing staff and passengers about the near disaster. He answered all their questions. From the outset Richard De Crespigny took control. He took responsibility for both passenger and staff safety and to let them know they were valued.

At the debrief, the pilot provided his personal mobile number to the hundreds of passengers to ensure they were getting the best support possible. If you were one of the passengers – how would that make you feel? The QANTAS brand was not diminished as a result of the accident.

### So will workforce disruption/change diminish your brand or culture?

You bet! The degree to which your culture or even your brand position is impacted depends on how effective your change management strategies are. Workforce disruption is a bit like a project that no one planned for. It often ends up being as dramatic for the organisation as the rollout of a major technology program, but nowhere nearly as well planned or executed.

Vaughan Smith's experience drew the link between disruption and culture. Vaughan's business is about finding the right people for the right organisation and role. In a very competitive market however it is up to the organisation leaders to develop the culture. In times of disruption/change leaders will always be judged on what they say and do. If left unchecked, leaders avoid the issues in times of disruption can damage the culture. A poor culture limits the options of attracting good staff and will diminish the brand over time.

### From victim to influencer.

Workforce disruption can leave employees feeling like they are the victims. They feel like something is happening to them that is out of their control. Effective leaders who adopt organisational change management best practice however, can help staff move from victim to influencer, by adopting change management best practice.

## Organisational Change Management



Change Guides Methodology

### Plan Phase – Assess the Needs, Develop the Plan

The first part of planning for the change is to Assess Needs. A critical element to planning is assessing the needs of individuals and the organization. Next, you need to Develop a Plan. Customized plans that address the needs of individuals and the organization must be developed in order to change behaviors. The data gathered from assessing needs drives the priorities and actions in these plans.

### Do Phase – Launch Communications, Transition Work

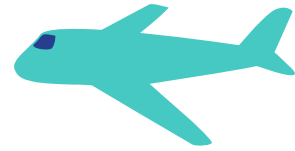
The first part of “doing it” requires that you Launch Communications. Project team members or the owners of the change need to reach out to others in the organization. By letting people know what is happening the change is more likely to stick. Next, you need to Transition Work. Part of managing change is transitioning work from old ways to new ways. People must be ready for the change just at the time of the implementation, and people need to have the right skills to do what is expected of them.

### Sustain Phase – Align Structures, Optomise Results

Sustaining the change requires that you Align Structures. Without reinforcing new behaviors, people naturally revert back to old ways of working. Next, sustaining changes requires that you Optimise Results. In order to ensure that the changes yield optimal results over time, new behaviors must be integrated into the new way of working.

## Vaughen Smith's story highlighted the following:

- > The leaders were not prepared for a changing environment
- > Leaders failed to provide leadership alignment and sponsorship
- > HR were not effectively engaged early
- > Employees were not encouraged to be involved about the changing business environment
- > There was a lack of a consistent message coming from leaders during the time of change
- > Change management seemed to be a low priority as leaders were not delivering new information to employees about the upcoming disruption
- > The leaders were not trained in how to manage the disruption/change



## The captain of QF32 overcame severe disruption by following best practice:

- > Leaders must take control in times of disruption/change
- > De Crespigny made sure his leaders were aligned with his strategy, understood their roles and agreed the way in which they would support the change process
- > The QF32 leaders were trained in how to handle sudden disruption

In times of workforce disruption, leaders need to keep running the business as usual (aviate), plan out the course that will achieve overall objectives for stakeholders, customers and staff (navigate), and keep the stakeholders informed of the changes and plans (communicate).



## References

1. *Champion de Crespigny, R. 2012, QF32, Pan Macmillan, Sydney.*
2. *Nelson K, Aaron S, 2005, The Change Management Pocket Guide, USA.*



Willow Consulting is a Change Guides Business Partner. We help organisations get people ready, willing and able to work in new ways. Willow Consulting delivers well-defined outcomes by improving communication and identifying and lowering stakeholder resistance to change. We use Change Guides methodology when implementing change management projects and are fully certified in the Change Guides.

Change Guides LLC was founded in 2005 and provides change management products and services to clients of all sizes, in all industries. Change Guides' partners Stacy Aaron and Kate Nelson have authored two top selling books, *The Change Management Pocket Guide: Tools for Managing Change* and *The Eight Constants of Change: What Leaders Need to Know to Drive Change and Win*, and have written over 100 articles in nationally distributed publications.

Source People is an Independent HR Recruitment Consultancy offering a comprehensive and flexible range of relationship based services. We deliver against business strategy through enhancing or customising your recruitment and talent acquisition practices inline with your business needs. Our services are based on strong personal values and consistent, reliable and effective solutions.