5 KEY STRATEGIES FOR SUCCESS

Using Human-centred Development to create the mindset shift
needed to thrive as a Human-centred Organisation (HcO)*

*The international standard ISO 27500

MINDNAVIGATOR

Transitioning to new ways of working in the age of the Human-centred Organisation (HcO)

Many organisations are transforming their operating models to enable faster and more responsive ways of delivering value.

Research has found that the success rate of these transformation initiatives is generally very low. A common pitfall is to focus all energy and resources on the re-engineering and re-invention of new structures, systems and processes. The few enterprises which have begun the transition to becoming HcOs have done so by also including a focus on the mindset shift needed for employees to transition effectively to new ways of doing business.

Supporting the development of emotionally healthy employees assists them to move beyond their resistance to change, improves overall productivity, and positively impacts the bottom line.

For organisations to thrive and prosper into the future they need to bring about a more agile, psychologically mature and connected workforce.

In this guide, we outline five key strategies of Human-centred Development (HcD) for creating the mindset shift needed to thrive in these new ways of working.

> **Only 1 out of 8 digital transformation Initiatives succeed**
>
> *(PulsePoint Group, 2016)*

> **70% of change initiatives fail**
>
> *(McKinsey, 2010)*

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> *An employee's mental model significantly influences how they see their role and function in the workplace, how they interact with others and how they solve problems.*

NEW WAYS OF WORKING NEED NEW WAYS OF THINKING

Surveys consistently point to the interdependence between structures (systems and processes); culture (relationships); and leadership (mindset and behaviours) for successful organisational transformation.

A McKinsey report asserts that 'when organisational transformations succeed, managers typically pay attention to 'people issues'.[1]

Organisational transformation is not about just changing what employees do. Most change initiatives require a shift in how people think, feel and inter-relate.[2]

Consciously or unconsciously, our interior worlds influence how we respond to our external environment. We construct our mental models through the interpretation of our experiences and interactions with both our environment and other people. This includes our self-construct (i.e. perspectives we have formed about ourselves and our own self-identity).
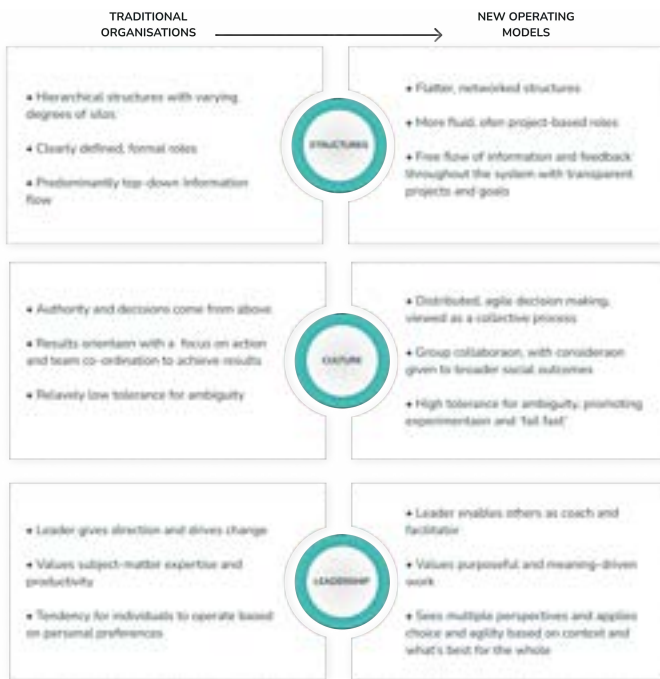
An employee's mental model significantly influences how they see their role and function in the workplace, how they interact with others and how they solve problems.

Consider the example of a bank that re-engineered their loanorigination process in order to reduce time spent on paperwork and maximise customer-facing time.

The initiative failed to deliver the desired increase in sales figures because the mindset and beliefs causing discomfort with sales and customer interactions lay at the heart of the issue.

Successful outcomes were achieved when bankers were also supported to develop their emotional intelligence and reframe 'sales' to a more meaningful pursuit of 'helping customers discover and fulfill their unarticulated needs'.[3]

New operating models signify a fundamental change from the structures, culture and leadership of traditional organisations to those of the HcO.

TRADITIONAL ORGANISATIONS → NEW OPERATING MODELS

STRUCTURE
- Hierarchical structures with varying degrees of silos
- Clearly defined, formal roles
- Predominantly top-down information flow

- Flatter, networked structures
- More fluid, often project-based roles
- Free flow of information and feedback throughout the system with transparent projects and goals

CULTURE
- Authority and decisions come from above
- Results orientaion with a focus on action and team co-ordination to achieve results
- Relatively low tolerance for ambiguity

- Distributed, agile decision making, viewed as a collective process
- Group collaboraion, with consideraion given to broader social outcomes
- High tolerance for ambiguity, promoting experimentaion and 'fail fast'

LEADERSHIP
- Leader gives direction and drives change
- Values subject-matter expertise and productivity
- Tendency for individuals to operate based on personal preferences

- Leader enables others as coach and facilitator
- Values purposeful and meaning-driven work
- Sees multiple perspectives and applies choice and agility based on context and what's best for the whole

The impact on leadership and culture explains why CEOs are consistently citing soft skills as fundamental for the future growth and success of their business.[4]

At the individual level, this transition is radical. Many employees may feel challenged to sustain practices that represent a very different way of doing business. Without investing in HcD strategies that support employees to upgrade their own operating systems, organisations will struggle to successfully transition to a new operating model.

Picture a manager from a traditional organisation transitioning to the Human-centred operating model. Subject-matter expertise and experience, previously valued and rewarded, has become increasingly redundant in this new model.

Positional power and authority have been replaced with a completely different approach, one that requires relinquishing control in favour of collaboration, sharing leadership and enabling rather than directing the work.

The new paradigm represents nothing less than an assault to the existing self-concept this manager has constructed through the interpretation of their previous experiences within the workplace environment.

FIVE KEY HcD STRATEGIES FOR DEVELOPING A NEW EMPLOYEE MINDSET

The Big Four and other leading consultancies all point to the need for a new employee mindset as pivotal for organisations who want to transition to new ways of working.[5]

We have identified the following five evidence-based strategies for achieving transformational success.

Strategy #1 -

Build Awareness

Strategy #2 -

Focus Attention

Strategy #3 - Cultivate

Accountability

Strategy #4 -

Develop Agility

Strategy #5 -

Target Application

"*Changing what you do requires you to change the way you think about what you do. And in order to change the way you think about what you do you have to change what you believe.*
- **Fujitsu**

"*Effective leaders in this new model should be able to think beyond individual functions; operate without command and control behaviour; create diversity; stimulate collaboration; while coaching employees and enabling teams to succeed.*
- **Deloitte**

"*A critical role will be that of the multi-skilled orchestrators, individuals with vision, agility and the capacity to drive change by integrating internal resources, partner organisations and multiple specialist contractors and freelancers.*
- **Accenture**

The first strategy is about supporting employees to build awareness of their mental models – the constructed thoughts, feelings, and values they hold about themselves and their broader environment – which influence their reasoning and behaviour.

BUILDING AWARENESS

Self-aware employees are more considered in their actions and have a more fluid self-concept, so tend to be far less invested in how they are seen by others. As a result, they are more open to receiving feedback and work more easily with tension, which they view as a healthy means of generating new ideas and outcomes.

Developing self-awareness is fundamental to identifying and effecting the behavioural changes needed to retain employees and sustain a good corporate culture. Poor leadership behaviour leads to high employee turnover. According to Gallup, 50% of Americans have at one point in their career left a job to get away from their manager.[6]

Leading scholars from Harvard argue that 'there is no greater waste of resources in ordinary organisations than the energy spent to hide our weaknesses and manage others' favourable impressions of us.'[7]

A recent case study of a CEO showed that in spite of his clear strategy and good financial results, his lack of self-awareness was creating a workforce with low morale, resulting in low employee engagement metrics. This CEO focused on building awareness to understand himself, what he valued, and what it really meant to him to be a leader. Increasing his selfawareness had a significant impact on his organisation's teamwork and employee engagement, as well as developing a high-performing team focused on both results and relationships.[8]

Several recent studies have shown that higher levels of self-awareness create superior organisational performance:

- A major study by The Leadership Circle found a significant correlation between leadership self-awareness, leadership effectiveness and business performance.[9]

- Korn Ferry's research found public companies with a higher rate of return (ROR) had a workforce with higher levels of selfawareness.[10]

- A recent study of the Nigerian Banking sector found that self awareness is positively related to both net profit and return on investment.[11]

AWARENESS IN ACTION

Sarah is a team leader in a technology organisation. Sarah becomes aware of a core personal value around 'knowledge'. She really values her subject-matter expertise; her focus on 'knowledge' really affects how she perceives people. Her awareness practice reveals that having knowledge is connected to feeling secure in her job and also receiving recognition from others.

Sarah finds herself remaining quiet and reflective in leadership forums, even though she wants to be heard. A guided process reveals a hidden assumption that speaking up may cause people to question whether she has the relevant knowledge to perform her role. Testing her assumption by incrementally increasing her input into these meetings proves to her that her knowledge and input is valuable and builds her confidence to engage more fully with her key stakeholders and other senior leaders.

The second strategy is about developing employee capacity for mindfulness and constructive thinking so they can determine where and how to focus attention in order to exert the most positive energy and influence.

FOCUSING ATTENTION

In dynamic work environments, employees are often on 'auto pilot' with their mental filters operating beyond conscious awareness. Focused employees are more productive, have greater resilience and operate from a higher level of emotional intelligence.

Mind wandering and the inability to stay present in complex environments can negatively impact work performance. A recent study has shown most of us are 'mentally checked out' nearly 50% of the time.[12]

As companies embrace the idea that employees' mental health is directly tied to their performance, many are targeting mindfulness and meditation to help improve focused attention and alleviate stress.

There are now mindfulness inventories and increasing studies demonstrating the multiple benefits of increasing an employee's capacity for present-centred attention.[13]

A recent study has found mindfulness supports people at every stage of decision making.[14]

FOCUS

Another study has shown mindful leadership has a high positive correlation with employee well-being and performance measures. The more mindful the leader, the lower the employee's emotional exhaustion and the higher the employee work-life balance.[15]

For employees operating in fast paced, complex environments, learning to manage stress effectively for health and wellbeing is paramount. Reports suggest that stress accounts for as much as 80% of work place accidents and the direct and indirect costs associated with stress is estimated to be in the $100 billions.[16]

Organisations can reduce these figures by helping employees focus their attention constructively rather than experiencing challenges through the limitations of their mental models. For example, directing attention to reflect on the past for learning rather than dwelling on past failures; visualising a future event to prepare for success rather than envisioning unsuccessful outcomes.

Constructive thinking also supports resilience in difficult situations by minimising the emotional impact of the challenges employees are facing. By pausing, and deliberately focusing attention, employees are increasingly able to bring conscious choice to what they think, feel and do, rather than falling back on limited perspectives, un-resourceful emotional states or reactive action.

One study on Project Managers revealed that all 18 elements of emotional intelligence from the Goleman and Boyatzis Model had a 95% or more relevance for managing large programs of work.[17]

ATTENTION IN ACTION

Sarah brings attention to her tendency to be running her own internal dialogue whilst someone else is talking. She realises she often misses part of the conversation, including important information. She adopts a practice of mindful listening and this leads to her developing a deeper level of connection with her colleagues and a broader understanding of key challenges within the organisation.

Sarah also works on building her resilience by developing a more expansive sense of context, time and space. By expanding her attention to include all of the roles and contexts in which she is operating, she is better able to contain challenging work situations within context. In addition, by practicing zooming out to see that each situation is a point in time, she develops the ability to see beyond her current challenges and keep them in perspective.

The third strategy is to instill the importance of accountability at all levels for employees to take initiative and ownership of their outcomes (as well as themselves), and balance their individual needs with the needs of others and the organisation as a whole.

CULTIVATE ACCOUNTABILITY

Employees empowered to act autonomously, whilst demonstrating empathy and consideration for others, take better care of their own wellbeing, have healthier interrelating and work more in service of collective, rather than individual, outcomes.

Increasing accountability and autonomy is essential for success in agile environments which require shared leadership and fast decision-making. Gallup found that where collaborative goal setting occurs, employees are 3.6 times more likely than other employees to be engaged.[6]

Evidence also suggests that when employees are able to challenge the status quo and provide input into the need for and direction of change, it has a positive impact on productivity and drives innovation.[18]
Sharing leadership and balancing self-needs with those of others represents a more mature view of accountability. This transcends conventional modes of authority and focus on command and control which tend to foster both lack of ownership and over-responsibility in the form of micromanagement.

Recent research has shown that the ability to balance a range of responsibilities correlates to more successful contributions within organisations.[19]

It has been found that employees demonstrate mature levels of accountability when they take genuine care of their mental, emotional and physical wellbeing, which can benefit them and the organisation.

For example, between 2002 and 2008, wellbeing projects implemented by Johnson and Johnson (e.g. supporting employees to stop smoking), generated savings of $250 million, a return of $2.71 for every dollar spent on wellness.

Employees' health improved and the organisation also benefited from a more present and productive workforce.[20]

Significant research by Human Synergistics consistently demonstrates that developing self-accountability along with being supportive of, and collaborating with others, is highly correlated with successful individuals and high-performing, profitable organisations.

Organisations: 32% more adaptable to changes in the external environment and 32% higher quality performance

Teams: 28% more effective teamwork and 25% greater commitment to producing a quality result

Individuals: 32% more motivated, 26% more satisfied and 25% more likely to stay with the organisation.[21]

ACCOUNTABILITY IN ACTION

Through more careful consideration of what she is and isn't accountable for, Sarah realises that she often completes tasks she could easily delegate to her team. Instead of taking everything on herself, she begins to refer requests for information to relevant team members. Not only does she free up her own time but her staff feel more valued and able to contribute.

Sarah also works on balancing time between her time at the office, building more routine around her running and spending time with her partner. She notices that her work commitments are still being met and her delivery has actually improved because she is spending less time adding unnecessary detail and information to her presentations and other output.

The fourth strategy is about having employees examine the habitual thinking patterns and mental shortcuts which direct their decisions and interactions, so that they can expand their perspectives and develop choice and agility in their operating strategies.

DEVELOP AGILITY

Agile employees are able to consider multiple perspectives within a given situation and discern what they may be over and under valuing, what to focus on and filter out, before deciding on a course of action. They have strong communication and influencing skills and are better able to handle complexity.

Scholars have mapped how our mental models evolve through stages of increasing complexity during our lifetime.[22]

Research has shown that higher levels of mental agility strongly correlate with the ability of leaders to successfully transform their organisation. In one study, five CEOs measuring at a later stage of development supported fifteen progressive organizational transformations. By contrast, the other CEOs measuring at earlier stages supported a total of zero organisational transformations.[23]

By including additional perspectives, employees are not only able to see more within the systems in which they are operating, but are also able to understand other people better and lean towards more collaborative ways of working. Research has shown that each new stage of development signifies an upshift in our ability to collaborate, allowing for new, more agile Human-centred organisational models to emerge.[24]

Developing agility also helps build the capacity to filter key information from noise and respond with discernment based on context. With so much information to manage in complex environments, this is becoming increasingly important for success. Experts on digital transformation success factors have advised that leaders need 'to let go of the instinct to control and lead more by exploring and filtering the good from the bad information as it happens'.[25]

As our agility with perspective co-ordination improves, so does our capacity to embrace ambiguity and hold paradox.

Increasingly, organisations are facing complex, adaptive challenges that require leaders to consider numerous interdependencies and move beyond an either/or mindset.

Traditional organisations with a workforce operating predominantly from an either/or mindset, generate solutions that represent trade-offs and compromise. In response to external pressures, corporate responsibility initiatives are implemented and viewed as a necessary expense for branding purposes. Internally focused solutions tend to preference a part of the business rather than facilitate the health and goal attainment of the whole organisation.

Conversely, an upshift to a both/and mindset enables finding commonalities between seemingly divergent perspectives and formulating creative solutions that create shared value. Internally, solutions meet more of all of the stakeholders' needs. In relation to social responsibility, this bigger thinking results in solutions that both generate growth for the organisation and greater benefits for society.

Harvard scholars point to the significant opportunities represented by this new mindset, arguing that 'few companies have reaped the full productivity benefits in areas such as health, safety, environmental performance, and employee retention and capability'. They cite an initiative by Wal-Mart as an example. By reducing its packaging and cutting 100 million miles from the delivery routes of its trucks, Wal-Mart lowered carbon emissions and saved $200 million in costs.[26]

AGILITY IN ACTION

Sarah works on shifting attention from tasks to including her relationships with her colleagues. By taking time in her conversations rather than jumping straight into the detail of what needs to get done, she discovers new solutions to her department's key challenges. She also continues to develop deeper connections with her colleagues.

As Sarah builds her agility to move between the detail and the big picture rather than focusing exclusively on the detail, her ability to delegate appropriately improves, as does her ability to grasp the key concepts, identify issues quickly and present to key stakeholders where summarising or providing an overview is important.

The fifth strategy is about targeting application of insights to enable employees to test assumptions, spark new ideas with each other, and practice new behaviours within the context of their role and environment.
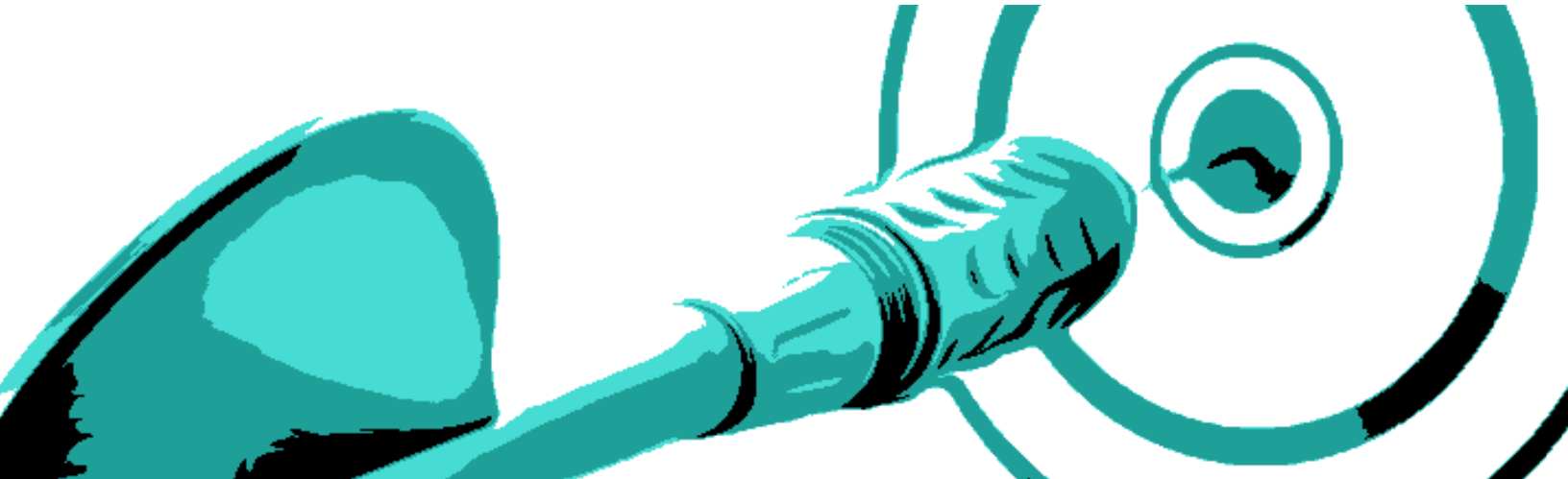
TARGET APPLICATION

Creating insight and increased self-knowledge is not enough. Embodied change requires consistent and continuous practical application of new learnings.

Latest research shows that achieving mastery in any domain is attained through focused and deliberate practice. Deliberate practice, as can be seen from our example of Sarah, involves developing increasingly accurate and efficient mental models that can be applied to practices in order to continue building expertise.[27]

Sustainable mindset and behavioural change requires a systemic change approach. The MindNavigator Human-centred approach (below) provides an example that leverages both the research in this field as well as the results from our own direct experience of developing leaders within a variety of organisations.[28]

INTROSPECTION

Reflection reveals old assumptions and develops awareness of new possibilities for thinking and doing differently

RELEVANCE

Motivation fuels growth when practices are individually customized and personally meaningful

Psychology Lens

APPLICATION

New results are achieved through repeated practice that develops strength, confidence and enhanced performance

ITERATION

Transformation occurs through short bursts of learning and micro-moves over time

Behaviour Lens

SUPPORT

Stakeholder engagement and peer coaching facilitate accountability and follow through

DIALOGUE

Broader perspectives emerge from group wisdom, expanding mindsets, stimulating creativity and deepening relationships

Relationship Lens

CONTEXT

New strategies are considered in the context of related systems, roles and requirements

MEASUREMENT

Progress is measured to provide positive motivation for further growth

System Lens

APPLICATION IN THE WORK ENVIRONMENT

Sarah works on shifting attention from tasks to including her relationships with her colleagues. By taking time in her conversations rather than jumping straight into the detail of what needs to get done, she discovers new solutions to her department's key challenges. She also continues to develop deeper connections with her colleagues.

CONCLUSION

The business case is clear. For organisations to adapt and thrive in a global, digital age, they need to bring about a more agile, psychologically mature and connected workforce.

Research indicates that greater self-knowledge and increased consciousness are the only known means by which employees are likely to engage effectively in new ways of working. The Centre for Creative Leadership cites the development of mindset maturity as the #1 future trend in leadership.[29]

Great Places to Work also predict an increased focus on developing all employees to achieve their full potential as one of the top three priorities for workplace cultures of the future.[30]

This will require a broad-scale change in workplaces – a change that takes all employees to new developmental levels, leveraging more choice and agility. The five strategies we have outlined in this guide are designed specifically to develop skills that employees will require in the future.

There is no shortage of evidence that organisations will get a significant return from investing in the development of mindset and emotional competencies.

The Consortium for Research on Emotional Intelligence in Organisations offers 19 studies for building a case for how various aspects of emotional competencies contribute to the bottom line in any work organisation.[31]

Research conducted on a companies cumulative returns from 1998-2013 revealed that organisations that have tackled the 'human element', (known as Firms of Endearment), out performed the S&P 500 by 14 times and Good to Great Companies by 6 times over a period of 15 years.[32]

The opportunity presented by investing in developing a more agile, psychologically mature and connected workforce goes beyond the ability for organisations to thrive in the global, digital age. It also has the potential to contribute to our evolution as a whole, as a legacy for future generations. Any business which is willing to embrace this new mindset is a HcO organisation of the future.

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ABOUT
MIND**N**AVIGATOR
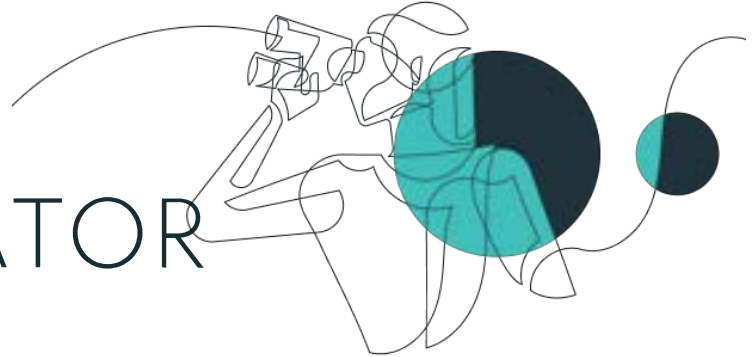
Our Mind-First™ HcD System blends enquirybased psychology, group dialog, and on-the-job practices, deployed via a technology platform.

We distill decades of research in psychologies and theories of change, the latest findings from neuroscience and the best of numerous world leading coaching methodologies, in one integrated solution.

Our solution offers a process to take advantage of the latest thinking around the leadership maturity which is needed to navigate change and thrive in fluid, networked environments with flatter structures and cross functional teams.
The MindNavigator® mission is to provide a gateway to new mental emotional and behavioural possibilities. We believe thinking differently is our most influential future currency.

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