ECLF Virtual Roundtable | Driving Organizational Change

April 8, 2019

Panelists
Louise Kyhl-Triolo | Head of Culture Innovation & Intrapreneurship, **Airbus**
Tom Lamberty | Leadership & Team Intelligence, **Cisco Systems**
Nandani Lynton | Chief Transformation Officer, **Siemens Gas and Power**
Janin Schwartau | Head of Learning and Transformation, **Thyssen Krupp**
Facilitation
Roland Deiser | Chairman, **ECLF**

This executive summary provides highlights from the 1st ECLF Virtual Round Table (VRT) which focused on *Driving Organizational Change* – a theme closely linked to recent ECLF discussions on Digital Transformation and its implications for organizational re-invention. To listen to a recording of the full event **please click here**!

In their opening remarks, the panellists shone a light on a number of challenges.

- **Siemens** has just embarked on one of its frequent re-organizations, and a key factor to enabling this change has been not just clear direction from the senior management but also a real focus on including the middle management layer in the change process. "...unless we work super hard with the middle managers, to whom 90 percent of our employees report after all... then we don't get anywhere; ...it's really about mobilizing people at all different levels of the hierarchy to bring in their ideas, especially to define what they believe is their next step towards the ultimate goal. And because they've defined it themselves, you don't have to drag them to it. They want to do it. They own it automatically".

- At **Airbus**, Louise Kyhl-Triolo spoke of the *Dream Big* initiative which she launched in 2017. *Dream Big* was an incentive challenge model inspired by the X-Prize Foundation's approach. Where Airbus's 135,000 employees were invited to share their big breakthrough ideas for shaping the company's future together. This, too, was a massive mobilization of innovative thinking which led to 700 ideas of which 150 were selected for further consideration, finally leading to three being incubated and presented to top management. As Louise noted this was "so much more than an ideation contest, it was really about trying to get a different kind of bottom up approach, finding our hidden entrepreneurs and innovators inside the organisation and create a new sort of community for change to really happen from within."

- Tom Lamberty shared the *Talent Stack* project at **Cisco**, where the development focus shifts from the individual to the team. "What we're seeing more and more within Cisco is that teams are not the static entities that they used to be, with team leaders and a bunch of fellows reporting to them. Teams have become much more volatile entities, with cross-functional collaboration, people working at multiple teams at the same point and time, and teams who are actually shaping and shifting [continuously]." In this context, Cisco is evaluating itself systematically as a networked organization, using digital data to identify who is communicating with who, and assessing the influence of the communicators within those networks.

  The impact of new digital technologies - and not necessarily complex ones - has also driven significant change. The increased use of virtual meeting tools led to a situation in which two-thirds of Cisco leaders are now leading people who work in different locations than they do. These changes are "happening in a kind of unconscious way. Because you just do it, you just purchase these technologies and then they start changing how you work and they start changing your culture".

- Janin from **ThyssenKrupp** echoed this. She underlined that it was not the technologies themselves that are this issue but trying to implement an agile culture that gives people the environment to adapt continually to the constant progress of change. ThyssenKrupp are also taking a dual approach on this "showing what it means to be agile and digital to top leaders and at the same time working at the bottom with people to really implement the methods from there. So, working from both sides, from the top getting the willingness and from the bottom actually doing it."

One of the challenges that agile structures bring is that they may create multiple pockets of experimentation. People are using different processes in different locations which all may work - but the organization becomes fragmented and it is increasingly difficult for senior management to gain a holistic, overall perspective of operations. As Nandani stated, "...people are very confused. I am never sure where I'm supposed to look for which project that's going on."

However, when the change focus is driven by the customer, the results can be impactful. "Customers have driven us to come up with apps for the smart phone, right?", so ThyssenKrupp's Janin. "Suddenly we're not dealing just with state-owned utilities. But we've got some 29-year old private equity guy who says, 'Hey, I want to look on my smartphone and see how many of my turbines are running. And if not enough in my opinion, I want to know the phone number I can call and ask you why.' So it's customer focus that drives transformation. I mean what better driver than to keep reminding people it's about the customer."

Louise saw these issues around customer and digital focus being very much alive in Airbus too. One of the responses they have come up with is to give greater autonomy to leaders (and everyone has some leadership role) to self-direct their development. The Airbus Leadership University is seen as a transformation platform, making digital coaches available to help continuous learning. "We are switching from Microsoft to Google Suite, which will

enable the push for more collaborative ways of working" says Louise. "So I feel we've got all of the ingredients there. Now it's just making the step to change and speed up the process. That is hard in a big legacy company like ours. We're still very much in a hierarchal organization, which I'm not sure favors everything that we're talking about."

Managing the velocity and continuousness of change is a common challenge. While it creates many new opportunities, Tom notes "it also creates obviously a lot of fear, a reaction of, 'This is too much, too fast, too many things at once. We can't cope with it....". which many can interpret as chaos – and that can be damaging.

Nandani noted that while Siemens is good at structural change, they realize that this alone is insufficient and that the need now is to work across boundaries. This may require some rule-breaking in terms of org structure and culture, but more people are saying 'if it benefits the customer, let's just do it'. Janin used the metaphor of how leaders can shift a pendulum for change from the top, without realising the distance it travels at the bottom and the chaos that can create, "if you're not willing to change the whole system, then in the end, you're going to end up in chaos."

The discussion moved to acknowledging that big formulaic structural change is going to be irrelevant as soon as it is completed, so the move to continuous agile change is needed – but nonetheless the organization and its people require some direction, rather than meandering forward. Balancing this tension is key.

Louise recognises that often these people, who are prepared to push the boundaries (aka bend the rules) are treated as outcasts in a conservative, risk-averse, safety-first organization like Airbus. "How do we go about maybe even protecting these people and protecting these ideas and what does that look like? Maybe we look into the performance management system. Maybe we look into recognition systems. How do we even recognize an entrepreneur within the organisation?"

And Nandani enthusiastically agreed. "Next month we are going to start using the Jam platform, which IBM pioneered, as a way of inviting every single employee if they want to, to come and participate in a three day conversation about the higher purpose: what are the values, what is it that we bring as a company? What really gets you up in the morning? What are the areas we might not have looked at yet that we could go into?"

As the discussion moved into the Q&A session from audience members, the recurring theme from the panel was about finding ways to bring the customer-facing employees, most often on-the-ground to feel they have a role to play in shaping and using, having a sense they own, the organizations values and purpose, so they can be confident that they are able to bring the change that is required as it evolves. It is closing that loop between senior leader strategy and a sense of strategy-ownership from the bottom-up. ■