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Research report

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UNIVERSITY OF **BATH**
SCHOOL OF MANAGEMENT

Landing transformational *change:* Closing the gap between theory and practice

The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has 140,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

Landing transformational change: Closing the gap between theory and practice

Research report

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Acknowledgements

About the authors

Professor Julia Balogun and Professor Veronica Hope Hailey are both members of the School of Management, University of Bath. Veronica is Professor of Management Studies and Dean of the School. Julia is Professor of Strategic Management and Associate Dean Research. Julia and Veronica have worked together for over 20 years on issues to do with strategic change in organisations, combining their expertise in strategy and change, and HRM and change, to develop successful senior executive education programmes on delivering strategic change. They have also co-authored one of the best-selling textbooks on the topic, *Exploring Strategic Change*, for which the fourth edition is forthcoming. They were directors of the long-established Change Management Consortium, which was a collaborative research project examining issues of change and transformation within 12 different leading-edge organisations between 2001 and 2008.

Julia has a particular interest in how large corporations can be transformed to retain and regain competitive advantage. Her recent research has explored how multinational corporations achieve this through the adoption of new organisational forms. She focuses on the practice of strategy and strategic change, and how strategic activity is initiated and championed at multiple levels within organisations, exploring the strategising work of both senior executives and middle managers. She has published widely in the field of strategic change in both top international journals and more practitioner-focused outlets.

Veronica's research focuses on the link between business strategy, HR strategy and engaging people in change. Veronica's most recent research has focused on employee engagement in general and trust and trustworthiness in particular. She is probably most well known at the moment for her three CIPD research reports written in collaboration with the

University of Bath: *Where Has All the Trust Gone?*, which was published in 2012; *Cultivating Trustworthy Leaders*, published in April 2014; and *Experiencing Trustworthy Leaders*, published in September 2014. Veronica has been consistently voted one of the Most Influential Thinkers in HR.

Dr Imogen Cleaver is currently working as a Research Associate for the School of Management, University of Bath. She recently completed her PhD at Cass Business School, City University in 2014, where she is now an Honorary Visiting Fellow. Her research on the professions has focused on the identity of partners in large, multinational firms in the consulting, accounting and legal industries; and the rise of professional managers in law firms. Imogen has previously worked as a solicitor at Linklaters LLP, in a new media consultancy and as a business analyst.

Executive summary

'This second report explores how the themes identified apply in practice through a focus on providing practical examples of how organisations have approached transformational change.'

This report is the second on landing transformational change in the CIPD series. The first report, launched In September 2014, covers how some of the latest thinking in change management can inform how organisations approach transformational change. This second report explores how the themes identified apply in practice through a focus on providing practical examples of how organisations have approached transformational change.

Both reports seek to inform senior executives and HR, OD and L&D practitioners by providing a platform of knowledge on the 'how' of designing, managing and embedding change.

The ten transformation themes
The first report identifies ten essential aspects of transformational change processes, in three areas – techniques to design change, build understanding and manage change:

1   The **design** of transformational change requires senior executives to be adept at reading and rewriting their context, aligning strategy and culture, and delivering radical change opportunistically.
2   Techniques that can **build understanding** include the use of ambiguity and purposeful instability; narratives, storytelling and conversations; and physical representation, metaphors and play.
3   **Management** of the process requires relational leadership, building trust, voice and dialogue, and maintaining energy and momentum.

Additional themes identified
While we found evidence of all of these aspects in the case studies in this second phase of research, this report also identifies 11 additional key themes to do with designing change, building understanding and management, common to the approaches organisations take to successfully land transformational change.

Designing change
Three additional aspects of the design of transformational change facilitate success. These are new CEOs/business leaders with a transformational change agenda; 'backstage' preparatory work with executive teams; and expert facilitation. The backstage preparatory work is significant for the formation of a team united in leadership of the transformation, in terms of a shared vision and the capability to lead change through role-modelling. Expert facilitation for this backstage work and the subsequent change process was provided by individuals often from an HR background, with significant knowledge of the delivery of change, although not necessarily in roles identified with HR.

Building understanding
Techniques to build not just understanding of change but also commitment to it include: mass engagement events; repeated and consistent communication from the top; achieving clarity through brevity and translation through detail; and changing patterns of interaction. These techniques when used together created an integrated set of interventions that led to not just a shared

understanding of the need for and nature of change, but also how this change had to be translated into new behaviours, systems and processes at an individual level down through the organisation.

Managing the change
Managing the change process to enable change also involved creating change advocates, removing obstacles and providing tools, and acting on measurements.

A new generation of CEOs/ business leaders
What is interesting about the findings in this report is that they demonstrate the existence of a new generation of CEOs/ business leaders who seem to understand better how to land transformational change than their predecessors. They understand the need for a long-term approach, sequencing of interventions, leading by example, investment in softer interventions beyond structures and systems, pushing new strategies down to the front line, translating corporate rhetoric into tangibles and the role of transparency and proximity in this translation.

Evolution of transformational change practices
When considering the implications for HR, we have reflected back on two previous CIPD reports on managing change, one in 2005 – *HR's Role in Organising: Shaping change* (Whittington and Molloy) – and a second report in 2010 (Miller and McCartney). Both reports were concerned with inspiring HR practitioners to play an expert role in designing and facilitating

change. What is striking about our research in 2015 is the increased level of sophistication in HR's support for CEOs and business leaders in transformational change. Just as CEOs and business leaders have demonstrated a greater understanding of what is necessary to implement deep and sustainable change, senior HR leaders have equally enhanced their knowledge and expertise in the design of change techniques but also managed to deploy this knowledge more adeptly with senior managers, middle managers and workforces. HR in all cases was found to be successfully performing rather than just aspiring to fulfil the role of 'expert facilitator'.

Middle managers remain critical to change processes in organisations and need to continue to be given role-relevant recognition and support.

Recommendations for HR, L&D and OD professionals
We conclude the report with a number of recommendations for HR, OD and L&D practitioners drawn from the themes we identify as to how organisations successfully land transformational change. Many of these involve HR, OD and L&D practitioners having the skill set and knowledge to work with CEOs/business leaders and other very senior executives to design and facilitate change.

'Middle managers remain critical to change processes in organisations and need to continue to be given role-relevant recognition and support.'

Introduction: the transformational change challenge
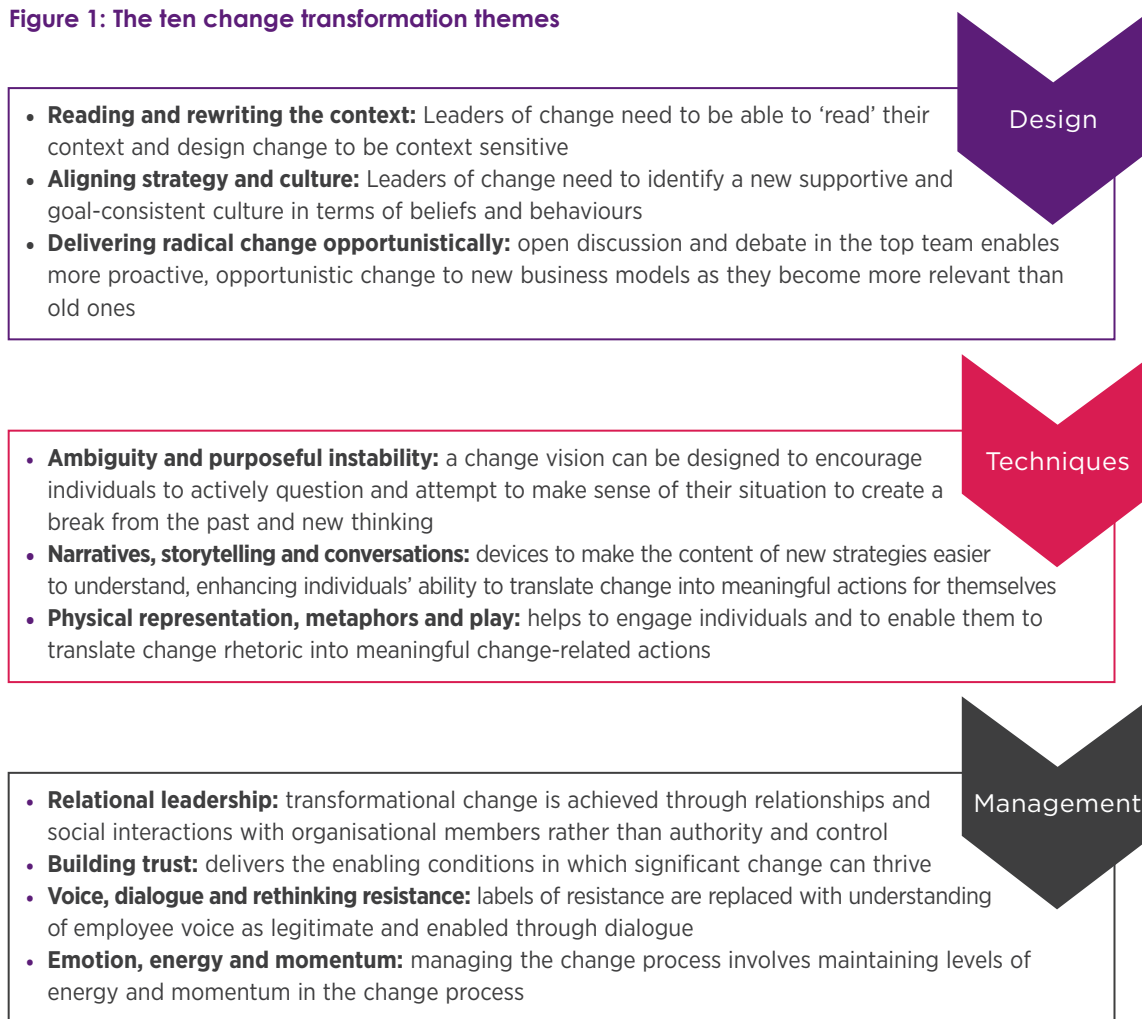
Background to the research
An initial CIPD report, *Landing Transformational Change*, was launched in September 2014. The inspiration for that report, and this one, is that change remains a constant for senior executives in organisations. Furthermore, the complexities and difficulties of delivering change are well established, with failure rates frequently cited as high as 70%. These difficulties are compounded in cases in which senior executives wish to deliver new strategies to retain and regain competitiveness that require a transformation of their organisation. Transformation involves large-scale change affecting behaviours and more fundamentally the culture of the organisation.

While there are many calls for organisations to be more flexible and adaptable, and balance the exploration of new forms of competition with the exploitation of existing profitable lines of business, this remains a difficult balance and many organisations find themselves in a situation where they need to make some form of step-change as competition shifts. In addition, the 2015 annual CIPD *Learning and Development* survey[1] found that driving culture change was a top priority of leadership development activity in organisations. This suggested that as the economy continues to come out of recession,

Figure 1: The ten change transformation themes

Design

- **Reading and rewriting the context:** Leaders of change need to be able to 'read' their context and design change to be context sensitive
- **Aligning strategy and culture:** Leaders of change need to identify a new supportive and goal-consistent culture in terms of beliefs and behaviours
- **Delivering radical change opportunistically:** open discussion and debate in the top team enables more proactive, opportunistic change to new business models as they become more relevant than old ones

Techniques

- **Ambiguity and purposeful instability:** a change vision can be designed to encourage individuals to actively question and attempt to make sense of their situation to create a break from the past and new thinking
- **Narratives, storytelling and conversations:** devices to make the content of new strategies easier to understand, enhancing individuals' ability to translate change into meaningful actions for themselves
- **Physical representation, metaphors and play:** helps to engage individuals and to enable them to translate change rhetoric into meaningful change-related actions

Management

- **Relational leadership:** transformational change is achieved through relationships and social interactions with organisational members rather than authority and control
- **Building trust:** delivers the enabling conditions in which significant change can thrive
- **Voice, dialogue and rethinking resistance:** labels of resistance are replaced with understanding of employee voice as legitimate and enabled through dialogue
- **Emotion, energy and momentum:** managing the change process involves maintaining levels of energy and momentum in the change process

[1] CHARTERED INSTITUTE OF PERSONNEL AND DEVELOPMENT. (2015) *Learning and development annual survey report 2015*. London: CIPD.

organisations are moving from a period of forced change and retrenchment into a period of more proactive planned change opportunities.

In recognition of the challenge of transformational change, the first report covered some of the latest thinking and innovative ideas in the field of change management that can help to land transformational change. The report sought to close the often cited gap between the latest thinking in change management and its translation into practice in organisations. It drew on a literature review of relevant and recent international material on change management. From this review it developed ten themes on transformational change practice to provide a platform of knowledge on designing, managing and embedding change essential for OD, L&D and HR professionals (Figure 1).

The second phase of research on landing transformational change seeks to explore how the themes identified apply in practice. The aim is to inspire OD and L&D practitioners to consider new and innovative approaches to change management, to help them land change more effectively. It is designed to help OD practitioners develop their own capability to drive more effective organisational change. The focus is on providing practical examples of how organisations have approached transformational change. It profiles four case studies (Figure 2).

Figure 2: Case study organisations

Organisation	Summary
BBC Worldwide	The BBC[2] is constituted by Royal Charter and its mission is to inform, educate and entertain the public. BBC Worldwide is the BBC's main commercial subsidiary and generates profit to supplement the licence fee. It is the largest TV programme distributor, excluding US studios. BBC Worldwide invests in premium content, promotes the BBC brand internationally and is developing its digital offering. In 2014–15 BBC Worldwide total returns to public service broadcasting (PSB) reached £226.5 million. It is seeking to increase its profit generation for BBC Public Service substantially. We explore their change programme from 2012 to 2015, including: the balanced regionalisation structure; clarification of strategy; the big culture conversation; and the move to dynamic working.
HM Revenue & Customs (HMRC)	HMRC[3] makes sure the money is available to fund the UK's public services and helps families and individuals with targeted financial support through payment of tax credits. HMRC is embarking on a major transformation programme. This will mean digitised services that allow its customers to do more for themselves online and in real time and will mean changes to the way HMRC is organised to deliver services, with teams working across business lines to bring services together in one place. Almost every individual and business in the UK is a customer of HMRC. We look at two change initiatives run in parallel between 2013 and 2015: HMRC's conversation with the workforce, known as Building our Future; and the Once and Done change programme in the personal tax (PT) line of business which has transformed the guidance and ways of working in PT operations.
News UK	News UK[4] is a wholly owned subsidiary of News Corp, the global media business. Through its own subsidiaries, Times Newspapers Ltd and News Group Newspapers, it publishes three leading UK newspapers: *The Times*, *The Sunday Times* and *The Sun*. In addition to revenue from subscriptions, circulation and advertising, it has a range of ancillary products, for example Sun Bingo and the Sunday Times Wine Club. News UK is seeking to capitalise on the increasing consumption of content through digital platforms. We examine the Newsroom 360 programme, which ran from 2011 to 2015, following them through organisation change, technology change and the move to The News Building.
Zurich UK Life	Zurich UK Life[5] is a business unit within the Global Life Segment of the Zurich Insurance Group, a leading global insurer providing general insurance and life insurance products and services in over 170 countries. The group is headquartered in Zurich, Switzerland. The annual report for 2014 revealed business operating profit of $1,273 million for the Global Life business, of which $186 million came from UK Life. Zurich UK Life is seeking to deliver a standout customer experience with disciplined expense management. We report their implementation from 2012 to 2015 of a transformational change programme known as PACE, as they sought to increase Passion, Agility, Collaboration and External focus in their business.

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[2] Derived from http://downloads.bbc.co.uk/annualreport/pdf/2014-15/bbc-annualreport-201415.pdf

[3] Derived from https://www.gov.uk/government/organisations/hm-revenue-customs/about

[4] Derived from News Corp's Form K-10 annual report in the US in 2013, available at http://investors.newscorp.com/secfiling.cfm?FilingID=1193125-13-373501

[5] Derived from http://www.zurich.co.uk/mediacentre/pressreleases/2015/company/article120215a.htm and the Annual Report 2014 available at https://www.zurich.com/en/investor-relations/results-and-reports

Methodology

This research has explored how transformational change has been landed in four organisations. In each organisation the research has involved an average of ten interviews with senior executives leading the change, middle managers and HR, OD and L&D practitioners or their equivalents. The interviews focused on the business context for change, the change process and approach, techniques used and skills required to deliver change, successes and challenges and what has been achieved. The research has also involved focus groups with staff which have explored how change has been received and experienced, and the outcomes achieved.

Report structure

This report is organised as follows. It contains three sections which refer to examples from the four case studies and focus on:

1 the key themes identified from the four case study organisations on how to land transformational change
2 how approaches to transformation have changed
3 how the roles of HR, OD and L&D in transformation have changed.

The report concludes with recommendations for landing transformational change. The appendix contains detailed case studies of the four transformation processes studied in BBC Worldwide, HMRC, News UK and Zurich UK Life.

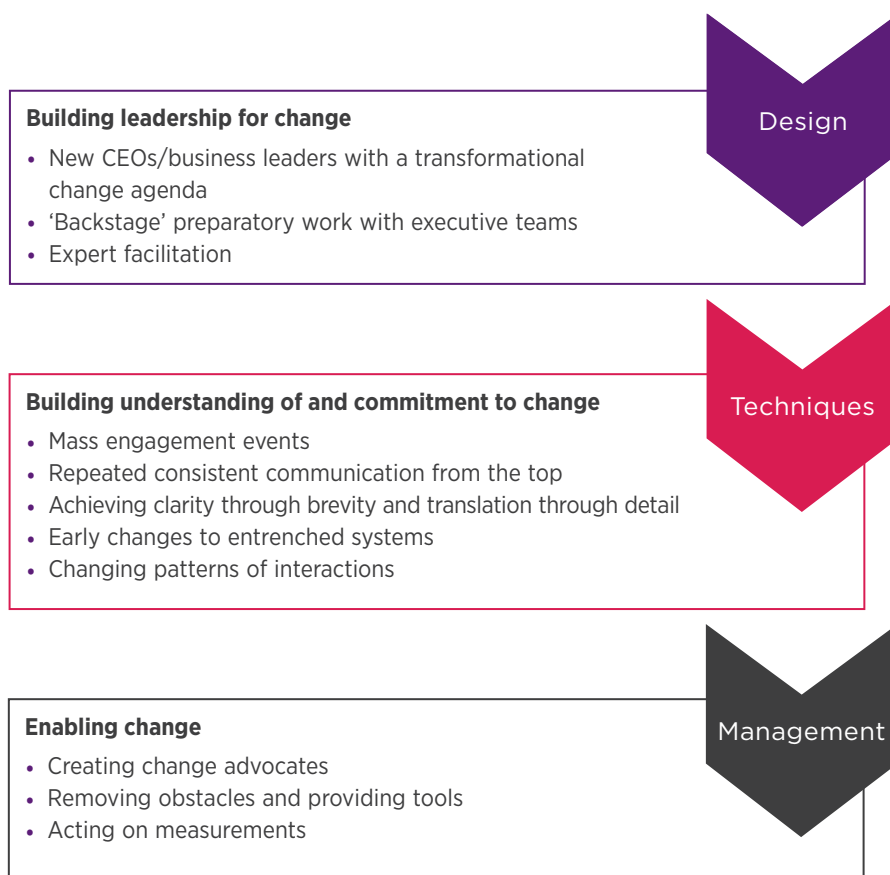# 1 How organisations land transformational change: key themes

The four case studies illustrate many of the themes of landing transformational change described in the first report to do with designing change, techniques for building understanding and managing the transformation. In addition, we identified some commonalities in the approaches the four companies took to successfully landing transformation. Consistent with the first report we were able to divide these into broader themes to do with design, techniques for building understanding and managing the transformation. We summarise the additional themes in Figure 3.

The additional themes on designing the transformation were all to do with building leadership for change. Techniques were to do with not just building understanding but also building commitment to change. The management of change involved additional themes to do with enabling change.

'The four case studies illustrate many of the themes of landing transformational change described in the first report.'

Figure 3: Commonalities in approaches to landing transformational change

Design

Building leadership for change
- New CEOs/business leaders with a transformational change agenda
- 'Backstage' preparatory work with executive teams
- Expert facilitation

Techniques

Building understanding of and commitment to change
- Mass engagement events
- Repeated consistent communication from the top
- Achieving clarity through brevity and translation through detail
- Early changes to entrenched systems
- Changing patterns of interactions

Management

Enabling change
- Creating change advocates
- Removing obstacles and providing tools
- Acting on measurements

Designing the transformation: links to the ten original themes
Consistent with the first report, we found examples in all case studies of reading and rewriting the context and aligning strategy and culture. Delivering radical change opportunistically was less common.
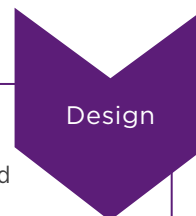
- **Reading and rewriting the context:** Leaders of change need to be able to 'read' their context and design change to be context sensitive
- **Aligning strategy and culture:** Leaders of change need to identify a new supportive and goal-consistent culture in terms of beliefs and behaviours
- **Delivering radical change opportunistically:** open discussion and debate in the top team enables more proactive, opportunistic change to new business models as they become more relevant than old ones

Design

Reading and rewriting the context

A key aspect of successful change is context sensitivity in change design – the matching of the design of change to the organisation's context by leaders and designers of change. We see this particularly at News UK, for example, where understanding the independence of the titles and the key influencers within titles in News UK, and designing communication mechanisms suited to a workforce that can't be taken off-line in large groups simultaneously, were distinctive features of the change process. We also see this at HMRC, with an explicit recognition of the role of stakeholders outside of Personal Tax and the need to work with them.

Another aspect of rewriting the context is for change leaders to use their own behaviours to do so, by role-modelling the change they wish the rest of the organisation to adopt. This was a key part of the transformational change processes for our case study organisations, with the leaders of the changes leading by example. In addition, they were supported in this by their senior managers (see theme *'Backstage' preparatory work with executive teams* on page 12).
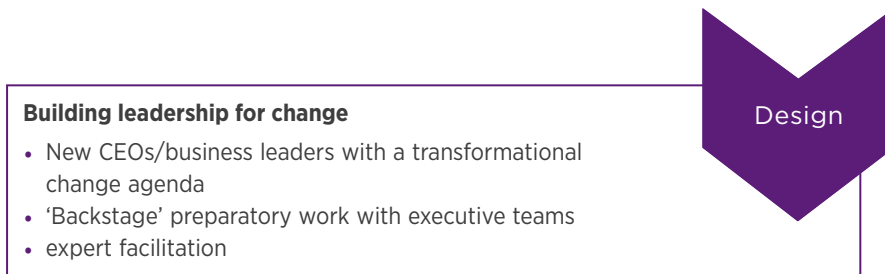
Aligning strategy and culture

For transformation to succeed, designers of change need to align strategic and cultural aspirations. As part of this, changing systems and processes highly characteristic of the past has an important symbolic quality (see theme *Changing entrenched systems* below), as do other interventions that are symbolic in nature, such as new buildings with radically redesigned office spaces. There were distinct and very explicit culture initiatives looking at the desired new culture in News UK, Zurich UK Life, HMRC and BBC Worldwide. Significant effort through the backstage work with senior executives and the mass engagement events and the translation activities was devoted to developing understanding of and supporting new behaviours consistent with the new strategy and vision for the organisation. While culture change requires a recognition of interventions beyond structures and systems, as demonstrated in the case study organisations – with restructuring seen as the start point not the end point of transformation – changing entrenched systems representative of the old culture (see page 17) was also significant here.

Delivering radical change opportunistically

We didn't find evidence in the case study organisations of change being initiated through the co-existence of, and therefore the move to, alternative business models as the environment shifted, making alternatives more viable, but as change has developed in the organisations, there is use of early incremental change to open up opportunities to support ongoing change. At Zurich UK Life, having created a more agile organisation focused on 'protecting people's futures', they now identify opportunities, form teams around them and launch something to the market quickly in a small way to try out the opportunity. At News UK, the sudden closure of one of the four titles in 2011 shocked journalists into realising that their world might change, generating more readiness to take on change.

Designing the transformation: new themes on building leadership for change

In addition to examples of the design themes from the first report, we found three new 'designing the transformation' themes to do with building leadership for change.

Building leadership for change
- New CEOs/business leaders with a transformational change agenda
- 'Backstage' preparatory work with executive teams
- expert facilitation

Design

New leaders with a transformational change agenda

Three of the four case studies brought in new leaders with a transformation change agenda for the organisations. Having a new figurehead helped to sell the new approach and create energy for change. However, potentially more importantly, in all four organisations a noticeable aspect of the new/existing leader was that they saw changing the organisation as a key aspect of their role, rather than something to be delegated. They have committed and still are committing significant amounts of time to leading change. In addition, they had a future-oriented perspective as to how their organisations needed to change to continue to be successful in increasingly challenging markets.

'At BBC Worldwide and Zurich UK Life, the new CEOs are credited by many people with making change happen.'

At BBC Worldwide and Zurich UK Life, the new CEOs are credited by many people with making change happen and as being significant in the success of the transformations of the organisations. In HMRC Personal Tax, the new director general is credited by the change teams with putting the authority behind the team leader, which has enabled him to bring about required changes. At News UK, the transformation team reported to the chief technology officer (CTO), later the chief operating officer (COO), who kept the project in his remit as an executive sponsor, even when he became COO. In addition, the new editor of *The Sun* personally championed the 'One Team' change programme.

Three years in, the CEO at Zurich UK Life still mentions PACE at every opportunity and the executive team continue publicly to celebrate winners of PACE awards. The CEO at BBC Worldwide continues to promote the culture change. The director general at HMRC PT and her directors have visited the 'Once and Done' team repeatedly and continue to support the team leader to overcome obstacles. In the Building our Future roadshows, the director general fronts the message of change. The editor of *The Sun* has personally continued to back the 'One Team' programme.

'The CEO at Zurich UK Life encouraged the executive team to focus on "protecting people's futures" as their primary task.'

'Backstage' preparatory work with executive teams

Time, logic and compulsion were important in developing executive teams supportive of the CEOs'/business leaders' transformational change agendas and a change vision for their organisation. This involved the CEOs/business leaders working intensively with their senior executives, almost as backstage preparatory work for the change process, to form a team united in leadership of the transformation. The backstage work was often done through workshops and meetings. These were about the CEOs/business leaders working with their executive teams to develop alignment around a future vision for their organisations, but also about building the capabilities of the executive to lead change through not just reciting the mantra of change but acting as role models through their behaviour.

The CEO at Zurich UK Life encouraged the executive team to clarify the strategy and focus on 'protecting people's futures' as their primary task, thinking about the great insurance products Zurich UK Life could offer rather than a focus largely on the bottom line. Months of work went in behind the scenes to getting the team exhibiting new behaviours in support of it. Similarly, the CEO at BBC Worldwide started the culture drive process with the executive team members. They were given time to get on board with the need for the culture drive, and to work together to reach agreement on the strategy. The transformation process at HMRC could involve changes (in, for example, call centres) that had implications outside of HMRC PT. The director general (DG) of HMRC PT therefore played a key role by engaging with her equivalents in other parts of HMRC who might otherwise have blocked change, through her position on the HMRC overall executive team. Rather than aligning senior people early on, therefore, the DG was using her social capital throughout the project.

Expert facilitation and the influence of HR

The backstage preparatory work and subsequent change processes were supported by individuals in very senior roles, often although not always with an HR background, and expertise in designing and supporting change and senior team change capability development. These individuals were not, however, necessarily in roles labelled as HR. Furthermore, these individuals were not always highly visible in the change processes. Yet they were important in providing expertise, facilitation, orchestration and even project management. They worked between workshops and events to maintain focus on and continuity in the change process, keeping the eye of the senior managers on the change-related activities that required attention and supporting them in this.

While some individuals providing expert facilitation had titles that directly linked them to HR roles, such as People Director at BBC Worldwide and HR Director at Zurich UK Life, others were in roles such as Director of Operations Personal Tax (HMRC) or Communications Director (Zurich UK Life). These individuals typically worked very closely with the CEOs, providing support and continuity throughout the process. The support also sometimes involved consultants, such as at News UK, and the recruitment of additional individuals to support the process with OD and L&D skills, as at BBC Worldwide.

Techniques for building understanding: links to the original ten themes

Again, consistent with the first report, we found examples in all four case studies of techniques such as narratives, storytelling and physical representation used to build understanding of the need for and purpose of change. The use of ambiguity and purposeful instability was less common.

Techniques

- **Ambiguity and purposeful instability:** a change vision can be designed to encourage individuals to actively question and attempt to make sense of their situation to create a break from the past and new thinking
- **Narratives, storytelling and conversations:** devices to make the content of new strategies easier to understand, enhancing individuals' ability to translate change into meaningful actions for themselves
- **Physical representation, metaphors and play:** helps to engage individuals and to enable them to translate change rhetoric into meaningful change-related actions

Ambiguity and purposeful instability

Whereas ambiguity that is due to executives not giving adequate consideration to what they mean by their slogans and exhortations to change is likely to sow confusion and cynicism, ambiguity by design is a tool that can be used to build active engagement and collaboration. Some of this thinking was seen at Zurich UK Life in the PACE programme. The labels of Passion, Agility, Collaboration and Externally focused were deliberately left open for different parts of Zurich UK Life to translate into relevant sets of behaviours for their part of the organisation. News UK developed a digital leaders programme which brought print and digital people together to find new ways of working through collaborating on projects together, although this was restricted to a subset of individuals.

Narratives, storytelling and conversations

We saw many examples in the four case study organisations of the use of narratives and stories to enhance individuals' ability to translate change into meaningful actions for themselves. These were particularly popular techniques as part of mass communication events (see below). For example, HMRC actively used storytelling techniques to communicate Building our Future. At Zurich UK Life, they advertised stories about PACE award winners. At BBC Worldwide, they held a big conversation which involved the capture of stories from individuals about their most inspirational moments at BBC Worldwide, which could then be shared. At News UK, in 'ways of working' workshops they used current events – real-life scenarios such as a helicopter crash in Vauxhall – to facilitate discussions as to how to tell that news story with the new technology.

Physical representation, metaphors and play

We did not find examples in this research of the use of objects and metaphors as part of playful design in the up-front backstage senior workshops. We did find their use to engage individuals and to enable them to translate change labels and slogans into meaningful change-related actions (see theme *Achieving clarity through brevity and translation through detail* on page 15). At BBC Worldwide, the personal stories of working at the BBC from the big conversation workshops were shared across the company on the intranet in writing, videos, pictures and even one song. In both Zurich UK Life and *The Sun* at News UK, specialist artists were used to capture strategy at visioning workshops. These artists captured on a wall the discussion in real time as it happened. Such pictures not only facilitated the discussion but also provided images for subsequent use; for example, in Zurich UK Life a sun was used to depict 'protecting people's futures' and that image then became a symbol of the strategy.

In addition, at BBC Worldwide the importance of the BBC content has been reinforced throughout the new building. More screens display the content and meeting rooms are themed, for example, around *EastEnders* and *Doctor Who*.

Techniques for building understanding: new themes on building commitment to change

The many examples of the 'techniques for building understanding' themes from the first report were supplemented with five new themes on techniques for building both understanding of and commitment to transformational change.

Building understanding of and commitment to change

- Mass engagement events
- Repeated consistent communication from the top
- Achieving clarity through brevity and translation through detail
- Early changes to entrenched systems
- Changing patterns of interactions

Techniques

Mass engagement events

A common feature of the transformational change processes in the case study organisations were mass engagement events, designed to involve all levels of the organisation and to develop engagement with the transformation process. Events involving every person in the organisation are costly, challenging to organise and require senior managers to front them. This may be why staff participating in the research commented on the effectiveness and extraordinary nature of such events in the case study organisations. These events were designed to be two-way, with listening to feedback, leveraging knowledge of all attendees, reporting back and saying thank you and celebrating successful change. These events differed from more traditional, one-way mass communication events since they sought to engage and involve, consistent with the principle that two-way dialogue creates more shared understanding. They formed the function of developing shared sense-making amongst different levels of staff and managers – including involvement right down to the most junior people.

At the BBC there was a mass conversation for 1,800 staff, which was started between the executive and senior leaders, and then cascaded down to team leaders and teams, in the form of a workshop that asked everyone what they loved about BBC Worldwide and what could be improved. The purpose of the conversation was to get people more focused on the culture and excited about working at BBC Worldwide – to 'dial up' the culture, but at the same time to ask what needed to change. These events also allowed the capture of fantastic stories from individuals about their most inspirational moments at BBC Worldwide, which could then be shared. These workshops built on the fact that many individuals work in Worldwide because they feel very passionate about the BBC.

Zurich UK Life already has a yearly staff event and that is used to publicise PACE. However, they also designed the Navigator, a workbook for use by all managers with their teams in workshops. This supported translation of PACE into individual roles and also leveraged the knowledge of staff by collecting suggestions from everyone on potential areas for change. The workshops process was designed so that all staff would work through the Navigator with their manager within a short space of time.

HMRC designed 'Building our Future' roadshows for 50,000 staff three times in two years, talking about the vision for the future, reporting progress on change initiatives and allowing staff to access the most senior leaders directly with questions and problems. These roadshows sometimes have table tasks where suggestions are collected from staff on how to improve systems and processes, leveraging their knowledge. HMRC also now have Fresh Thinking, an online suggestion gathering system, where anyone can make a suggestion, comment on other people's suggestions and vote for ideas.

News UK presented a challenging context for mass events given the 24-hour, 7-day-a-week, all-year-round nature of the business. The mass events had to be context-sensitive as it is not possible to take all the journalists off a daily title simultaneously for any length of time. All staff were invited to Newsroom 360 events held in the offices, talking about, for example, how to do journalism using a phone. These represented an investment in their craft for staff and brought people from different titles together. Newsroom 360 went to the news floors to communicate, right to the desks of the people, to make sure change initiatives were communicated effectively with everyone in the organisation. News UK also used the training for the new IT system, which everyone had to do, as an opportunity to communicate the message of culture change, through Prologue. Prologue, run by consultants, was the first phase of IT training. It involved no computers since it was designed to be conceptual. Participants had to work with envelopes and bits of paper and were encouraged to think about how their individual actions affected others in the paper as a step towards more integrated working to overcome the silos in the paper.

Repeated consistent communication

The consistent and continued endorsement from the top of programmes of change helps maintain momentum. People find time in a busy day for something the most senior managers are supporting. Thus repeated consistent communication was not just about formal communication events but senior people living the change programme.

In Zurich UK Life and BBC Worldwide, for example, emphasis was placed on getting the executive team members to exhibit the desired behaviours. The emphasis was on ensuring the executive teams and other senior managers were authentic proponents of the transformation programme, and sufficiently fired up about it to be evangelists for the changes when out and about in the organisation. At Zurich UK Life senior managers personally awarded PACE awards to individuals. In HMRC the Building our Future roadshows put senior leaders in front of staff three times in 24 months. News UK was and needed to be a little different. They had sophisticated programmes of communication but within each title the messages came through the title leads, who were seconded to the change team from the respective managing editor offices. The News Room 360 team were presented as facilitators, not as figureheads of change, to influence and help the titles change themselves.

Achieving clarity through brevity and translation through detail

Clarity through brevity
Much is written about the need for change visions to be simple and memorable. All four case study organisations created clarity through brevity in the future vision for their organisations.

Translation through detail
However, it is increasingly recognised that words are not enough and that the most important part of vision statements is that there is a shared understanding of what the words mean for the organisation and that they are translated into something tangible. This presents a tension in that communications need to move from the short, snappy and memorable to something lengthier. For example, at BBC Worldwide the Commitment, at Zurich UK Life the award-winners' stories, at HMRC stories about managers

BBC Worldwide:
Content, Brands, Digital;
Be part of making history

Zurich UK Life:
PACE – Passion, Agility, Collaboration, Externally focused

HMRC:
Once and Done

News UK:
(in *The Sun*) One Team

finding time to implement changes and at News UK 'to be' workflows for editorial staff. While lengthier communications received some criticisms for not being short and easily memorable, they became an essential part of the translation of the change. In all four organisations significant effort was put into ensuring a shared understanding of the headline slogans for change and for helping staff to translate these into meaningful and tangible implications for their day-to-day ways of working.

Techniques for translating the headline of organisational change into the detail of individual change included: visioning workshops, tasking individual managers with devising action plans of the things they could do to further change, asking individuals at mass events/ workshops to identify the one thing they would work on, and working with a handful of people in great detail about how they as individuals would need to change and then putting them back into the organisation to seed change from the bottom.

All of the case study organisations recognised that for transformational change to be landed, all individuals in an organisation need to change their behaviour in some way. Change cannot be a spectator sport. Everyone has to come down from the stands to play on the pitch. Change was not something to be done by someone else; everyone needed to take part for it to be successful. This created challenges which needed to be overcome.

In BBC Worldwide the translation of the future vision into individual change started at the top and was then taken to senior managers before being opened to everyone. Time was made for consultation with senior leaders at each stage to allow them to design and own the change.

Similarly, in Zurich UK Life the translation of the future vision started at the top before being opened to everyone. A challenge in Zurich UK Life was that while everyone bought in to the need for the organisation to change, they sometimes thought their individual job was perfect as it was. Change was for others, not them personally. As a result they introduced the Navigator as the mass engagement event.

In HMRC, with the Director General PT on board, Once and Done went to the front-line staff for ideas. They later addressed what the changes would mean for managers. A challenge came as they realised they had not, perhaps, adequately explained to middle managers the importance of them being seen to back change personally for teams to feel able to allocate time to making change happen. This was being addressed through middle manager workshops on how to empower their teams.

Early changes to entrenched systems

Consistent with transformational change, and the need to align strategy and culture, all the change processes involved changing entrenched systems that supported the old ways of doing things, such as the bureaucracy at Zurich UK Life. For culture to change, old entrenched behaviours also have to change. This requires organisational-level changes in terms of systems, processes, ways of working and forms of measurement to free staff up to change their behaviours – or even force those more reluctant to let go of old ways to change behaviours. Furthermore, cracking apparently insoluble problems that staff have been pointing to as barriers to change also makes staff take notice. Staff start to believe espoused change is truly possible this time. There were examples of this in all four case studies.

At HMRC, the guidance by which the advisers had to operate had become very complicated, with numerous stakeholders 'owning' different bits. Prior failed attempts at changing it suggested it was impossible. To persuade stakeholders that the risks attributable to a change to guidance were not too great required data. However, generating data required live trials to which stakeholders would not agree. Understanding the problem, but also how essential these changes were for transformation to succeed, the director general quietly authorised live trials and promised the staff involved that any consequences would be on her head.

A consequence of the bureaucracy at Zurich UK Life was an organisation encumbered by a meetings culture to such an extent that the removal of a regular meeting would itself require escalation through various committees which could take months. The new CEO initiated a 'Bonfire of the Committees'. He quietly set up a small group of people to cull the meetings and reduce the frequency, length, number of attendees, requirements for minutes/reports and so on.

For News UK, removing entrenched systems involved doing something quite radical – going against industry trends. In the face of mounting technology costs and as readers expected to access their news on more and more platforms, and a seemingly irreversible trend towards getting news for free from sources on the Internet, News UK decided to go behind a pay wall. They would not provide content for free. They would charge for better-quality products. They also sought to get rid of the traditional dividing lines between digital and print people and between titles through the Digital Leaders programme. On each group from each title, they took a digital and print person and put them to work together to identify what was possible through united working and then put them back on the floor. The programme also involved a trip to New York to see how the sister paper, *The Wall Street Journal*, was using technology. People were then seeded on the floor who could think in the new way. This programme also, therefore, created additional advocates of change alongside the super users.

At BBC Worldwide, removing the entrenched systems was more structural. There was restructuring around geographic regions rather than business areas, which facilitated the executive team appearing more aligned.

Changing patterns of interactions

Transformational change by definition involves changes to thinking and doing. Changes to doing in these examples often required IT programmes alongside. However, the most common 'hardware' in the cultural changes across the case study organisations that facilitated the required changes to patterns of interaction between different levels and departments was the provision of new buildings. These new buildings promote and enable different interactions consistent with the desired direction of change. They also provide greater transparency between all levels of managers and staff, enabling role-modelling and leading by example, but in addition a way of monitoring change progress since the executive teams can see for themselves what people are doing. Finally, there is a point about organisation identity.

The change process at Zurich UK Life involved an inspirational refurbishment of Tricentre One in Swindon, with dynamic working rather than allocated desks for many staff, sofas and pods for breakout sessions and the abolition of offices for senior leaders and managers. This facilitated the greater agility Zurich UK Life was seeking, making it easier for people to meet and discuss in more ad hoc ways and a more immediate and timely manner than the prior meetings culture. People are out in the dynamic spaces, not in offices. This supports less formal interactions even between executive team members. In a contrast to the old meetings culture, rather than booking a meeting room to discuss something that resulted in a decision two weeks in the future, you are encouraged to grab a pod right now.

BBC Worldwide moved into a new building in London, where the majority of BBC Worldwide staff are located, bringing them all into one office designed to facilitate dynamic working and better access to content. Staff value having their own building and all being in one place. News UK now has all its titles in one high-profile, modern building, with whole titles on single floors to promote unity within title, and all titles within one building to promote collaboration between titles and to promote a shared corporate identity. The co-location of digital and print people promotes the integration sought between the two.

HMRC are developing customer service centres which will allow advisers to work more flexibly, switching between post, telephones and new forms of interaction with customers as required. The co-location of telephone and post people facilitates this.

Management of the transformation process: links to the ten original themes

In all four case studies we identified relational leadership, building of trust, the use of voice and dialogue and maintaining energy and momentum.

- **Relational leadership:** transformational change is achieved through relationships and social interactions with organisational members rather than authority and control
- **Building trust:** delivers the enabling conditions in which significant change can thrive
- **Voice, dialogue and rethinking resistance:** labels of resistance are replaced with understanding of employee voice as legitimate and enabled through dialogue
- **Emotion, energy and momentum:** managing the change process involves maintaining levels of energy and momentum in the change process

Management

Relational leadership

A relational leadership style is one in which the power of leaders resides in the existence of strong, sustainable, trustworthy relationships with employees as well as with external shareholders. Since leadership styles set the scene for what counts in an organisation, individual leaders can achieve a lot by being a role model for others through their personal behaviours and attitudes. There are many examples in the four case study organisations of a relational approach. In Zurich UK Life, the move to dynamic working and no offices brings the senior managers into the open, as do the new BBC Worldwide offices. At HMRC leaders at Building our Future events took all and any questions. Extensive effort was put into developing senior managers into individuals capable of role-modelling the needed changes through their personal behaviour and becoming evangelists for the changes.

Building trust

High levels of trust will deliver the enabling conditions in which significant change can thrive. Change leaders need to emphasise their trustworthiness by demonstrating their competence to design change intelligently, and their benevolence and integrity in the way they attend in the change process to the needs of the business, the employees and the wider community. In Zurich UK Life, News UK and HMRC, trust was developed by the senior leaders showing a competence in the design and leadership of change, and their integrity in dealing with employees in the change process. BBC Worldwide addressed trust directly through the 'Commitment'. HR synthesised the themes from the senior leaders' conference and staff workshops into the 'Commitment', which was a form of quasi-contract between leaders and others in the organisation, setting out what to expect from a senior manager but what others would be expected to give in return.

Voice, dialogue and rethinking resistance

Concerns raised by others about change should not be labelled as resistance, but instead reframed and reinterpreted in terms of legitimacy of employee voice. It is through HR processes that promote dialogue and open two-way communication with employees, such as town hall meetings and focus groups, that designers of change can hear new ideas about implementation, help employees to make better sense of the change around them and, therefore, enable greater commitment to change. Again, in all four case studies there are many examples of providing employees with voice, enabling two-way dialogue and demonstrating a willingness to listen to concerns and different ideas consistent with a rethinking of resistance. The mass engagement events described above – the mass conversation at BBC Worldwide, the Navigator at Zurich UK Life, Building our Future at HMRC and Newsroom 360 workshops at News UK – provided the most consistent means of voice and dialogue.
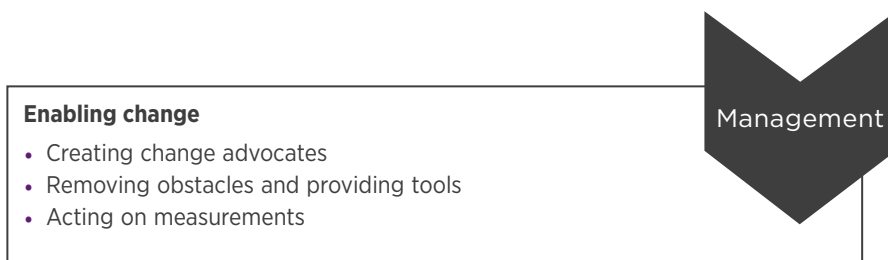
Emotion, energy and momentum

Change is an emotional rollercoaster engendering both strong positive and negative responses. The emotions experienced affect the way individuals respond and may relate to the change content, but also the nature of relationships with those managing the change. Transformational change is also a long march rather than a short sprint, requiring those leading change to maintain energy and momentum for change in the organisation. We have already described above that a key feature of the change processes in this research was the ongoing commitment to, engagement with and focus on the change process by the CEOs/business leaders, and that they saw changing the organisation as a key aspect of their role. However, momentum and energy was achieved in other ways. At Zurich UK Life, the regular PACE awards maintained energy for the change process in the organisation. At News UK, they carefully staggered the IT rollout, one title at a time, building up to the most time-critical pages on each title. They had to manage the emotional demand and energy required for technology change, culture change and moving buildings while continuing to publish daily. They also had the super users and floor walkers to provide encouragement and momentum. At BBC Worldwide, HR expressly talk about needing to maintain momentum through ongoing initiatives, such as rolling out the revised people development intranet quickly to show change is actually happening. At HMRC, excitement about the changes was maintained by regularly and on an ongoing basis achieving changes to guidance on procedures.

Management of the transformation process: new themes on enabling change

The examples above show how the managing change themes from the first report were clearly reflected in the case studies, but in addition we found three themes to do with enabling change.

Enabling change

- Creating change advocates
- Removing obstacles and providing tools
- Acting on measurements

Management

Creating change advocates

Leadership in the organisations from the CEOs/business leaders and executive teams was supplemented by the creation of change advocates who work in the business to facilitate the transformation process. These individuals performed a valuable role, providing role models and encouraging others to adopt change, working to create enthusiasm and support in others.

The use of change advocates was clearest at News UK. They created 'super users', who were journalists trained in depth on the new technology being introduced to facilitate publishing of any news content to any platform (print or digital). They were on the floors encouraging others to (or insisting that others did) embrace the new ways of working. There were also floor walkers, IT experts out on the floors helping people when they encountered problems using the new technology. However, the super users were critical because of the crossover role they fulfilled between the journalists, the technologists and the new technology. In addition, the Digital Leaders programme created advocates as the individuals who had been on the programme were put back on the floors to seed change.

At Zurich UK Life, they had 'PACE champions' who worked on a committee with HR providing ideas as to how to advance the transformation process, such as 'changing the habits of a lifetime week' and taking responsibility for implementing these ideas. They also ran the awards scheme and had responsibility for taking communications on change initiatives back into their part of the business.

Removing obstacles and providing tools

In all case studies, active listening led to the removal of obstacles and the provision of tools to support change rather than positioning feedback as resistance. CEOs recognised the significance of the little everyday annoyances. They believed staff engagement is affected by these. Thus what may seem like hygiene factors are in fact significant for the success of change.

Acting on measurements

Not only are our case study organisations bothering to use measurement such as pulse surveys and engagement surveys, but they are concerned to react to poor scores. Managers' tasks are to some extent affected by results from the previous survey. Change programmes have been altered to react to problems as they have been identified. For example, this included at HMRC realising that middle managers had been 'missed out' of the change process and putting in place a programme to address this.

BBC Worldwide listened when people said the printers repeatedly broke down – slowing down their work – and fixed them. Zurich UK Life listened when customers wanted new platforms to access Zurich products and developed them; they then listened to their staff and addressed their IT needs too. All staff in the new office in Swindon got laptops. At HMRC, all the post is now scanned so people working on the phones can see the post, and websites are being developed. Old IT systems at News UK were driving silos in the business. The new system would allow everyone to publish to any platform, providing the tools for breaking down the print/digital divide. Tablets were given to editors so they could see the tablet edition of the paper for which they were being made accountable.

2 How approaches have changed: landing change

The first report on landing transformational change refers back to a 2009 report of the Change Management Consortium (CMC)[6] written by Professors Hope Hailey and Balogun, and reporting on research in a consortium of companies between 2002 and 2008. The report captures the state of play in the management of planned change at that time. It revealed a negative picture of change and change capability inside organisations, identifying the strong influence of a continued dominance of the use of a machine metaphor for conceiving of organisations when designing change. Emphasis was placed on hard aspects of organisations, such as structures and systems accompanied by communication and rhetoric, to effect change with little emphasis on the softer cultural aspects of organisations. Coupled with this was a persistent perception by senior people within the organisations researched that restructuring was the end point of change rather than the beginning. There was an emphasis on delivering performance-based turnarounds which focused on shorter-term profit and margin improvement, rather than deeper transformations which could address the more fundamental organisational issues underpinning declining organisational competitiveness. The report also identified evidence of a failure to learn about change at senior levels, since the senior team's membership changed constantly. Not all organisations had sophisticated OD or change management units. Disappointingly cultural change tended to be spelled out in terms of a corporate rhetoric rather than being linked to the day-to-day behaviours and operational realities of the workforce. Senior teams struggled to understand how to translate their strategic rhetoric into tangible implications for the organisation and the individuals in it.

The fear was that post-recession and retrenchment, this was the knowledge base on change that companies would return to. However, what we have found is something very different. The case study organisations show a great deal of sophistication in their transformational change programmes. They were using much of the knowledge summarised in the first report, suggesting that the CEOs/business leaders and those members of HR teams supporting them were well informed and were capable of putting this knowledge into action. It seems that the new generation of CEOs/business leaders understand better how to land transformational change. This capability is underpinned by a set of understandings about the nature of transformational change (Figure 4).

'It seems that the new generation of CEOs/business leaders understand better how to land transformational change.'

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[6] BALOGUN, J. and HOPE HAILEY, V. (2009) *Final report of the Change Management Consortium*. London: CASS Business School, City University London.

Figure 4: The understanding that underpins transformational change
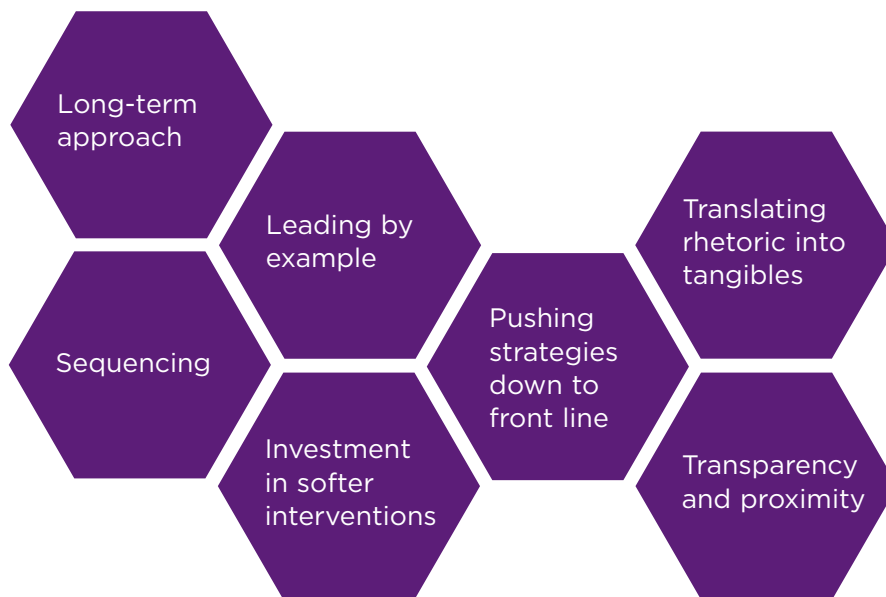
1 Landing transformation change needs to be a **long-term approach**; there is no quick fix. As we comment in the first report, culture change requires sustained effort and investment over time. It is a marathon requiring significant stamina from those leading and managing change rather than a sprint.

2 Cuts and restructuring need to be separated from culture change, acting as the start point and an initiation for change, not an end point. Three of the four transformational change programmes we studied followed on from major restructuring, providing evidence that the CEOs appreciate sequencing. **Sequencing** involves a recognition that the imperatives of a restructuring and retrenchment (typically short-term financial-performance-

based change) are different from a transformation and thus best phased.

3 CEOs learning to walk the talk **lead by example** and through this rewrite the context.

4 In transformational change, structures and control systems play a relatively minor role, versus the huge and significant **investment required in softer interventions** to do with communication (in many different forms), education, training and symbolic action.

5 Changing behaviours down through the organisation by **pushing strategies down to the front line is critical for transformational change**. New strategies have to be pushed down to the front line, to those in customer-facing roles, if they are to deliver a shift in the way an organisation competes to retain or regain competitive advantage.

6 Connected to this was a better understanding of how to **translate corporate rhetoric about culture change into tangible implications** for individuals. There is a considerable distance and detachment between the tops and bottoms of organisations, even in the flatter hierarchies of modern organisations. Thus translation requires involvement by those who know what it is they currently do on a day-to-day basis; they are the ones most capable of translating the rhetoric.

7 There is a role in **translation of transparency** and proximity – thus the significance of the new buildings in bringing the tops and bottoms of organisations together.

Translating a vision into changed behaviours

The case studies in this research also reveal four interesting aspects of senior manager behaviour that are required for the translation of change visions into changed behaviours as part of landing transformational change:

- *Translating change for others requires senior managers to change their own behaviour:* This was often achieved with the help of 360 feedback, yet needs to be done while also facilitating others to change their behaviours by, for example, learning how to coach team members. Likewise, the executive team can make sure they walk the talk but also can be available to other managers who need clarification or reassurance.
- *Calling out poor behaviour in others:* Even executive team members often seem reluctant to do this, although they need to do it to each other as well as their reports.
- *Standing in someone's shoes before criticising them for failing to change:* Senior leaders at both Zurich UK Life and HMRC were encouraged to take calls in the call centres. Senior leaders at BBC Worldwide hot-desk like everyone else and are encouraged to be more available to interact with people. In these ways, they could personally experience the degree of change they were asking of others.
- *The importance of having a touchstone:* Use the future vision of the organisation to constantly check progress and ensure that all actions are vision-consistent and to challenge behaviours and actions that are not vision-consistent.

The role of the middle manager

Getting buy-in and support for change from the executive team and other senior managers through backstage preparation can be a lengthy and time-consuming process. However, the translation of change into new behaviours throughout the organisation is the most difficult aspect of landing transformational change and, not surprisingly, takes time to embed, involving significant effort. These programmes of change take years.

There is an in-built delay between senior leaders adopting change and middle managers adopting change. Quite apart from the fact that senior leaders have often had workshops and 360 feedback to help them, the middle managers will not feel confident changing until the person to whom they report changes. Senior leaders who say one thing but are still seen to behave in the 'old' way send very confusing messages to middle managers. We know that one example of old behaviour can cancel many examples of new behaviour.

It seems that middle managers remain a crunch point, continuing to act as intermediaries who are both simultaneously the recipients of change yet the important leaders of change locally. This continues to place a significant burden on them. They occupy a Janusian role, having to face upwards to their seniors and downwards to their team as the people providing the man management on the front line. They need to decide on a daily basis where to allocate their effort – do they devote their time to meeting the old targets they still have to meet or to supporting change? If they are still expected to meet old targets, where do they find the time for change? It is, therefore, necessary to provide significant support to these individuals for them to take up their change leadership roles and facilitate translation.

Thus the role of middle managers in change remains an enduring change challenge that organisations still seem to stumble over. Middle managers occupy a key negotiation role between the senior managers and the rest of the organisation, positioned as they are on the front line.[7] They often become the shock absorbers for the emotional turbulence generated by change plans for the people they manage, forming a buffer zone between senior managers and the rest of the organisation. As such their role also involves emotional work, although this is typically not recognised and as a result is also unsupported and unacknowledged. The middle manager change role is in fact complex and demanding, typically requiring trade-offs between keeping the business going and promoting and managing change in their teams. Developing and maintaining a relationship with middle managers, and equipping and supporting them in their challenging role, is a critical task for senior executives precisely because middle managers are key to change leadership, taking on the mantle of senior managers and therefore change leaders locally in their parts of the organisation.

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[7] See BALOGUN, J., HOPE HAILEY, V. and GUSTAFSSON, S. (2015) *Exploring strategic change.* 4th edition. London: Prentice Hall.

3 How approaches have changed: the role of HR, OD and L&D

Our four case studies point to changes in the nature of the roles of HR, OD and L&D practitioners. When considering the implications for HR, we have reflected back on two previous CIPD reports on managing change, one in 2005 – *HR's Role in Organising: Shaping change*[8] – and a second report in 2010 – *Sustainable Organisation Performance: What really makes the difference? Shaping the Future*.[9] Both reports were concerned with inspiring HR practitioners to play an expert role in designing and facilitating change. What is striking about our research in 2015 is the increased level of sophistication in HR's support for CEOs and business leaders in transformational change. Just as CEOs and business leaders have demonstrated a greater understanding of what is necessary to implement deep and sustainable change, senior HR leaders have equally enhanced their knowledge and expertise in the design of change techniques but also managed to deploy this knowledge more adeptly with senior managers, middle managers and workforces. HR was fulfilling, rather than just aspiring to, the role of 'expert facilitator'.

Actions of HR

The main body of the report has detailed the many techniques used to 'land' transformational change and HR, or individuals with HR experience, were very much a part of the team responsible for designing and implementing all techniques. There was evidence that HR professionals in the four case studies had greater knowledge around employee engagement and the design of change than had been demonstrated in the previous CIPD studies.

Here we just reflect on some specifics for HR and OD professionals. For instance, in the design stage, HR professionals used their analytical skills to 'read' the context through interpretation of 'data sets' such as engagement surveys or other sources of data. With increasing access to 'big data', we anticipate that in the future there will be a greater demand for HR and OD professionals to acquire the skills associated with the field of data analytics.

In the implementation stage of change, HR demonstrated their leadership strengths in engaging managers through active listening and dialogue. Here we may be seeing the impact of initiatives such as MacLeod and Clarke's important work around *Engage for Success*.[10] The significant difference in this CIPD study compared with earlier reports was the focus on dialogue, a dialogue which appreciated the importance of hearing employee voice in change. Instead of simply 'selling' a senior management view of change, HR/OD professionals were showing an appreciation of hearing different views on the experience of change and working with those differences to secure a more sustainable change within the workplace. Two related aspects of HR/OD's activities also came through in the analysis. One was their ability to think creatively through designing different sorts of engagement events and designing more innovative and customised techniques for communicating the main messages around the change to various audiences. The second activity was HR's contribution to keeping the momentum of change across the organisation, using their energy to keep managers motivated to make the transformation happen.

Where the earlier reports urged practitioners to focus on structures and processes (2005) or workforce planning, knowledge-sharing and design (2010), here there was a notable increase in the attention paid to softer techniques. It was not that these softer techniques had superseded the harder elements of structure and design, but rather that these cultural techniques had augmented these elements and in so doing enabled a greater embedding of behavioural and attitudinal change.

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8 WHITTINGTON, R. and MOLLOY, E. (2005) *HR's role in organising: shaping change*. London: Chartered Institute of Personnel and Development.

9 MILLER, J. and MCCARTNEY, C. (2010) *Sustainable organisation performance: what really makes the difference?* Shaping the Future. London: Chartered Institute of Personnel and Development.

10 MACLEOD, D. and CLARKE, N. (2009) *Engaging for success: enhancing performance through employee engagement. A report to government.*

Roles and relationships for HR/OD professionals

In BBC Worldwide, HR was described as a '*horizontal running throughout*' and very much '*part of the senior team*'. In three of the cases very talented top HR people were working almost as 'stage directors' for the change projects, what we referred to earlier in the report as 'expert facilitation'. It was their job to direct and support the 'front of stage actors' (CEOs and other senior leaders) achieve their best. Therefore these senior HR leaders were critical to and responsible and accountable for the success of these transformational changes, but they were not the public face of change.

There were also instances of HR leaders allowing customisation and personalisation in the way those managers implemented the change within their own areas, particularly strong and successful within the Zurich UK Life and BBC Worldwide case studies. This is an example of HR acting as a *facilitator* of change across the organisation, encouraging middle managers to adapt the implementation of change to fit their area, rather than behaving as senior management's monitor by checking whether divisions are implementing things according to a centrally derived formula for change. Thus HR appeared most successful when it facilitated rather than told people what to do, allowing managers to inject their own personalisation and customisation to suit the needs of their divisions, rather than dictating centralised and universal approaches to implementing the changes. Earlier reports had emphasised the importance of middle managers as either the barriers or enablers of change. Here we saw HR/OD practitioners helping CEOs/business leaders to successfully engage with these managers as the leaders of change in the heart of organisations.

All of this successful facilitation relied on strong personal relationships built on the mutual respect of senior business leaders and HR leaders together as individuals rather than as members of the HR function insisting on being heard simply because they are from HR.

Career paths

A last but interesting observation was that we found evidence of new career paths being carved out for very talented top HR people. We found examples of those individual HR practitioners who had senior experience of supporting transformational change from roles *within* the HR function then being put into top operational and business roles. This seems a strong validation of the importance of organisational development as an activity and profession being recognised and valued as a critical competency for senior business leaders. It also recognises the importance of time spent in OD roles for developing an expertise in this area, a key finding for both general talent management and succession planning as well as leadership development.

'A last but interesting observation was that in all four case studies we found evidence of new career paths being carved out for very talented top HR people.'

Conclusion

'What is clear from three of the cases is that senior HR managers were critical in directing the change but not leading it. They were acting as "expert facilitators."'

This report reveals the extent to which landing transformational change places considerable demands on CEOs and other senior executives designing and leading deep and sustainable change and, therefore, concomitant demands on the HR, OD and L&D professionals acting alongside them as expert facilitators. This report has drawn on four in-depth case studies to identify: (1) the extent to which some of the latest thinking and innovative ideas in the field of change management are drawn on by organisations implementing transformational change successfully; and (2) additional approaches to design, techniques and management they are adopting. We find that the ten themes from the first report do indeed provide a relevant platform of knowledge on designing, managing and embedding change for HR, OD and L&D practitioners leading and/or advising on organisational transformations. We also find additional themes that supplement this platform of knowledge.

Finally, what does this research tell us about the role of HR, OD and L&D specialists in landing change in the twenty-first century? What is clear from three of the cases is that senior HR managers were critical in directing the change but not leading it. They were acting as 'expert facilitators', a term we have used throughout this report. The
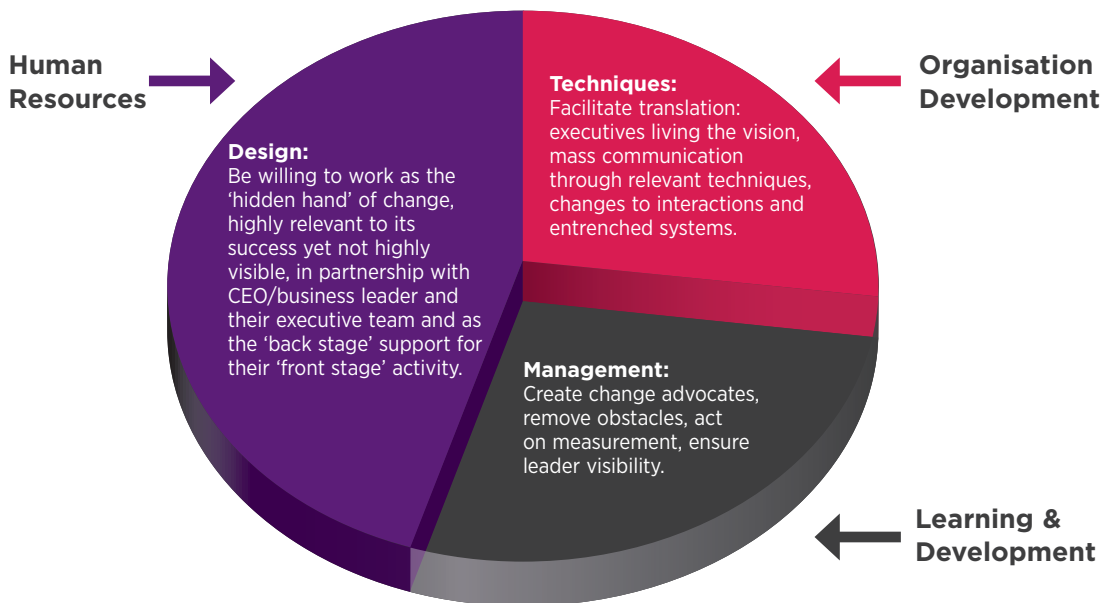
individuals we studied enacting this role did not seem driven by the need to be centre stage as a leading actor, but instead they wanted real recognition of their substantial contribution in directing the change. As such, HR/OD experts reminded us of directors in a theatre production. Perhaps Frank Hauser[11] sums this role up best when reflecting on lessons for leadership from the world of theatre: he said of the director's role:

'You are the obstetrician. You are not the parent of this child we call the play. You are present at its birth for clinical reasons, like a doctor or midwife. Your job most of the time is simply to do no harm. When something does go wrong, however, your awareness that something is awry – and your clinical intervention to correct it – can determine whether (it) will thrive or suffer, live or die.'

Thus the role of HR/OD as stage directors of change is a critical and senior role, appreciated by all involved in putting on a production of change, but not front of stage. Below we provide a number of recommendations that HR, OD and L&D professionals should consider for their organisations and their own skill set, if they are to be successful expert initiators and facilitators of transformational change (Figure 5).

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[11] HAUSER, F. (2003) *Notes on directing: 130 lessons in leadership from the director's chair*. New York: Walker Publishing Co.

Figure 5: Recommendations for HR, OD and L&D practitioners

Design:
Be willing to work as the 'hidden hand' of change, highly relevant to its success yet not highly visible, in partnership with CEO/business leader and their executive team and as the 'back stage' support for their 'front stage' activity.

Techniques:
Facilitate translation: executives living the vision, mass communication through relevant techniques, changes to interactions and entrenched systems.

Management:
Create change advocates, remove obstacles, act on measurement, ensure leader visibility.

Human Resources

Organisation Development

Learning & Development

Designing transformation: building leadership for change

- Work with the CEO/business leader to develop a team which enables the CEO/business leader to incorporate changing the organisation as a key aspect of their role, and delegate aspects other than the change leadership role.
- Work with the CEO/business leader to develop a future-oriented perspective as to how their organisation needs to change to continue to be successful and build a vision around this.
- Work with the CEO/business leader on maintaining a long-term orientation and commitment to transformation.
- Work with the CEO/business leader to design a 'backstage'

preparatory process that builds an executive team united around a future vision, but also capable of using their own behaviour to move beyond recitation of the mantra of change to act as role models and lead by example.
- Be willing to work as the 'hidden hand' of change, highly relevant to its success yet not highly visible.
- Recognise the critical and complex change role of middle managers, work to engage them in the change process and equip them to take up the leadership mantle for change in their parts of the organisation.
- Encourage the use of the future vision as a 'touchstone' – run integrity checks to ensure leaders are walking the talk in a change-consistent manner and that change has not become a rhetoric.

Techniques: building understanding and commitment to change

- Design mass communication events to engage all levels of the organisation, which are two-way rather than one-way 'tell and sell' and which provide opportunities to engage in dialogue, to listen, leverage knowledge and, when relevant, celebrate success.
- In communication events, draw on techniques such as narrative, storytelling and forms of physical representation such as artists' pictures to share and build understanding and knowledge of change.
- Support senior executives and middle managers in repeated, consistent communication.
- Encourage verbal, face-to-face communication from change

leaders whenever something critical has to be communicated and reduce the use of email.

- Build on 'backstage' preparatory work through techniques such as 360 feedback to support behaviour change in senior executives and, through means such as these, hold leaders to account for living the vision and values that underpin the change.
- Ensure communication provides clarity through brevity but provides the detail needed for translation.
- Design specific techniques to facilitate the translation of the vision into tangible actions and changes to everyday behaviours down through the organisation, including events such as workshops which engage a wide range of people and more-intensive and small group-based activities which work with people in great detail about how they as individuals would need to change. These need to be tailored to the context.
- Early on identify and change entrenched systems that support the old culture and old ways of doing things, working with the CEO/business leader to use their influence and social capital to effect changes that have previously seemed impossible.
- Recognise the importance of changing patterns of interaction and either seize opportunities to do so through new buildings or the redesign of old buildings, or changing the pattern of staff allocation in existing buildings to position staff in different configurations and working arrangements.

Management of the transformation process to enable change

- Create change advocates through training to support the communication and translation of change.
- Identify and remove obstacles and provide relevant tools as change progresses.
- Act on measurement to incorporate new initiatives in areas that are not advancing as they should.
- Ensure leaders are visible to lower levels throughout the change process.

Appendix 1: BBC Worldwide case study

1 Context

BBC Worldwide is the main commercial arm of the BBC and a wholly owned subsidiary of the BBC. BBC Worldwide exists to build the BBC brand around the world, support the BBC public service mission and maximise returns on its behalf while ensuring all activities are conducted in a way that is consistent with BBC standards and values. BBC Worldwide was set an ambitious task of substantially increasing revenue to BBC public service over five years.

BBC Worldwide employs around 1,800 people and has 18 offices around the globe. The executive team at BBC Worldwide are known as WEx (Worldwide Executive Committee). The executive team are also members of GLT (Global Leadership Team), a group of 100 senior managers in BBC Worldwide. The BBC Executive Board has responsibility for the overall supervision of BBC Worldwide. The two parts of the organisation are closely aligned, with a focus on being 'one BBC'.

BBC Worldwide is a content company, but the way in which content is consumed has been changing over the last decade. The consumer decides what content to consume, when and how. New entrants have been challenging the market. BBC Worldwide needed to adapt to be in a position to capture future growth opportunities around the world.

2 Preparation for change

Balanced regionalisation: 2012
In October 2012, BBC Worldwide announced a structural reorganisation, which saw the business reconfigured from divisional to geographic lines of management. Rather than being organised around business areas (channels, consumer products, sales and distribution, content and production, and so on), BBC Worldwide is now structured across four geographical regions: the UK; North America; Australia and New Zealand; and the rest of the world, known collectively as global markets. Alongside this, there are global functions overseeing brands and content, with digital embedded throughout the company. The aim was to increase growth from international markets and be closer to customers. The whole organisation had to adapt to the new business model. The restructure was disruptive for staff and included some redundancies.

'Morale across the company I think was pretty low.'

After the restructure there was sometimes still a tendency towards silo working and a sense that GLT needed to develop their leadership skills; however, WEx appeared to the business to be more aligned. Externally, BBC Worldwide was seeking to recruit talent in a competitive environment. WEx needed to offer employees something distinctive: an environment and a culture that would enable the employees to be the best on a global platform.

'BBC Worldwide is a content company, but the way in which content is consumed has been changing over the last decade. The consumer decides what content to consume, when and how.'

'Staff wanted to have a clear story; feel their difficulties were listened to and acted on; and that they would be treated fairly and included in communications.'

Driving clarity on strategy: 2013

Tim Davie took up the post of CEO of BBC Worldwide in April 2013. One of the first things he did was to clarify the purpose of BBC Worldwide:

- first, build the reputation and brand of the BBC
- second, deliver sustainable financial returns
- third, build a world-class media company.

He focused on communicating a clear strategy of investing in content, building global brands and delivering digital innovation.

The CEO took every opportunity to repeat that message. 'Pulse' staff surveys were used every few months to measure internal understanding of and alignment with the strategy. Having a clear strategy that focused around three key pillars ensured everyone across the business could understand the company's focus:

'Even the most junior of staff can go content, brand and digital.'

A WEx member describes the CEO's role:

'He's got us to worry about the money, the cash flow, individual businesses or individual territories. His job is to be clear about the strategy and create the best culture and make that happen.'

The CEO's view was that day-to-day difficulties and lack of clarity, rather than the market challenges for the business, could cause unhappiness. Staff wanted to have a clear story; feel their difficulties were listened to and acted on; and that they would be treated fairly and included in communications.

Dialling up the culture: 2014

Although most people in BBC Worldwide started to experience the culture drive in October 2014, for six months prior to that WEx worked on the vision of what that culture should be. The people director took time to get WEx members on board through individual and team conversations to gain input and consensus.

In August 2014 a new global director of organisation development started with BBC Worldwide. This was a strategic hire. WEx then agreed that to achieve the culture plans in practice, BBC Worldwide staff would need to feel empowered to put customers and audiences first and take smart risks.

HR designed a workshop to cascade the culture drive to the GLT, with the overall design and messaging agreed by WEx. The CEO was keen to see true alignment within WEx, not just 'Tim says this', but was aware that the sessions would need to be compulsory to make sure all staff were included.

Kirstin Furber, the people director, sought to ensure WEx members were exhibiting the values and behaviours needed to build the growth culture, so they would be authentic in promoting the culture drive:

'They have got to be living and breathing [the values] and putting [them] into their day-to-day management.'

A WEx member describes:

'At the town hall, the last thing I said to everybody was, "If I'm concentrating on something I'll look like my face is thunder, but stop me. Talk to me … have a chat." You'd be amazed at the following

week how many people have said, "Hello, I am… such and such." So yes, you do have to change your behaviour.'

3 The change process

Conversation with the GLT: September 2014
WEx facilitated a 'virtual' worldwide GLT conference (where international staff could dial in) and took them through the workshop. The approach was to explain what the business was seeking to achieve and suggest resources leaders could use to make that happen because some people *'don't do culture … that is for the HR department'.* Questions included: What do they love about the culture at BBC Worldwide? What needs to change? Stories were shared: a member of WEx recalls giving his personal story and explaining what matters to him. WEx talked about their passions for the BBC, their worries and what they wanted to do, drawing the GLT into the conversation.

In spite of some problems with silo working, participants described a culture in which people wanted to work together. There was an ability to attract, motivate and retain the best staff. However, there were concerns about accountability and failing to be tough when needed. To be successful globally they needed to behave like a global company and be even better at working together while holding on to what was good about the culture.

HR wanted the GLT to have the space to think through how the message would land, what it would mean for them and to allow them to translate it for their teams.

WEx now had the feedback from the GLT, wordsmithing was no longer adding value and it was

agreed that the key phrase about working at BBC Worldwide was coming in to 'be part of making history'. The statement was an ambition which also summarised the culture. It was both an invitation and a challenge to do something special.

The people director advised:

'We have to land this now.'

Worldwide workshops: October/ November 2014
The GLT were tasked with carrying out workshops with their teams. The purpose of the 'Working Together' workshops was to draw everyone into the conversation, to find out what the employees of BBC Worldwide love about their organisation, if they agree with the culture ambition and to listen to their thoughts.

'Part of it is the vision for the company, which is to be the premium provider of content to audiences globally. Part of that is about being a company … that is admired from the outside and loved from within … "What can we do to be admired from the outside and loved from within?"'

'It was positioned as, "we're not starting these discussions because anything is broken; we want to use culture to deliver results."'

The CEO was invaluable at this point, not only in fronting the message that a conversation around culture was important but also in pushing to get the offering *'really strong and really tight'.* Rather than dictating how the workshops should be run, HR stipulated the outcomes to be achieved. A facilitation pack was provided, including a video of the people director interviewing the CEO about BBC Worldwide culture, with some instructions and

a deadline. Managers had room to personalise the workshop for their areas:

'We focused on projects specifically.'

'We decided not to play the reel.'

'We just sat around the table and basically they framed it around a few key discussion points. … We just put lots of Post-it notes up on the wall with all our comments and then we went through them to get people's specific examples.'

Emphasis was placed during the workshops on the value of personal stories. These were then shared across BBC Worldwide in writing, videos and pictures, with one employee singing their story. The managers also reported back on what could be better:

'Every Post-it note got transcribed as an appendix … we summarised into key themes.'

To get through 1,800 people in 18 offices around the world, HR had to be robust in ensuring senior leaders all held their sessions. The CEO pushed the message that culture was just as important as everything else and his involvement as champion allowed HR to be the facilitator.

The workshops were on average three hours long. Some consisted of ten people; other leaders chose to do bigger groups with breakout tables. In the UK business, the WEx member attended the start of a few workshops to introduce them and say they were important but then left to allow people to speak their minds.

Within the workshops an anticipated challenge was how to respect the people who had been in the organisation a long

time. In advance of the focus groups, the people director met with individuals in the GLT who might have been through culture programmes before and might be less engaged:

'And they look round the room and say, "Oh yes, we're the oldies aren't we?" I said: "I want to learn from you … so what's your advice?"'

HR was also concerned not to overwhelm the business. It became apparent that the rollout of the Working Together workshops was coming at an inappropriate time for the US operation, because of a joint venture. WEx demonstrated flexibility by putting the programme on hold for the US operation.

The workshops were galvanising for the workforce:

'It helped me to fall back in love with the company I work for.'

The workshops are considered a great success. For some employees it offered them a chance to be part of the wider conversation about the culture they wanted to work in for the first time. The outcome of the discussions and areas where changes could be made had been anticipated by WEx, but simply telling people about that list would not have achieved the same impact. A WEx member admits that initially the workshops *'felt like a sheep-dip part of the process to me. Actually, I was proven wrong.'* The next challenge was to consider how best to convey the list to the business.

OD took the 400 pages of output generated by the workshops and synthesised them down to 11 broad themes. While WEx were already aware of many of the areas where improvements were required, there were some surprises. For

example, while relationships with the regions may have appeared to be fine, in Australia the reality was the workforce regularly had work calls between 7pm and 1am due to time zone differences and this challenged the value of respect. The feeling that not all successes were celebrated and recognised was more of a surprise.

Involving leaders in identifying the changes required: December 2014
The 11 broad themes were:

- Take personal accountability.
- Move away from silo working.
- Work together across London and the regions.
- Explain 'One BBC'.
- Encourage simplicity in everything we do.
- Ensure tools and resources are fit for purpose.
- Improve trust and respect.
- Pioneer new ways of working.
- Recognise and celebrate individual and team successes.
- Connect with content.
- Increase the opportunities for development.

The GLT came together and these themes were shared with them. The conference provided an opportunity for group discussion around key topics including, *'What behaviours do we as a leadership team need to demonstrate?'* There was also an interactive voting system that enabled members to rank the themes. Members were then tasked to take these themes back to the business and put them into practice, for example, improving recognition by saying 'thank you' more. The conference was a success:

'[The people director] did a really, really good job of feeding back the global picture. … It was clearly communicated. It was well organised.'

Following this the global director of organisation development condensed the discussions to six behaviours. To maintain momentum, he generated a single page linking the most important themes to the BBC Worldwide six competencies – clear direction, world-class development, strong relationships, business success, innovative and creative environment, and global excellence. It was delivered back to WEx and then shared with the GLT in a conference call before Christmas when feedback was invited. These repeated interactions with the GLT sought to ensure the GLT owned the vision of change.

Change initiatives driven from the centre: 2014–15
Meanwhile HR sought to work out on a global basis which two or three key projects needed to be 'led' from the centre. One of these global initiatives was training.

WEx had already identified the need to provide world-class development for staff but the feedback from the Working Together workshops generated urgency. To keep the momentum, the W:People intranet site was revamped to go live in December 2014. It gathered together in one place all the development opportunities and attracted a high volume of visitors.

HR also set itself another goal: every employee should have a development plan, devised with their manager, within a year. Training programmes such as the sales development programme were already happening, but WEx wanted the minimum development bar at BBC Worldwide to be higher than the standard development offering of its competitors.

New offerings – such as BBC Worldwide staff being able

to participate in the BBC 'Hot Shoes' internal work placement that allows a person to do work experience in a different part of the BBC – resulted in several placements being made for 2015 but sometimes needed support from team leaders to encourage staff to take part because:

'I don't think that it's actually going to be able to happen for someone like me.'

Team leaders tried to tackle this:

*'I did send an email to all of my team … but none of them came back to me … some of them are sceptical as well as to whether I would let them go, and I **said** I would.'*

BBC Worldwide also launched a global staff awards scheme in May 2015. This not only sought to answer the call from the workshops for improved recognition of good work, but was also a vehicle for helping BBC Worldwide staff gain a greater understanding of the company strategy and how it translated to their roles. During the annual results day in July 2015, the awards were announced, offering the business an opportunity to celebrate team and individual performances which had demonstrated 'The Commitment', with the hope of motivating staff further. The stories of the winners were published on the intranet.

Overall, on initiatives driven from the centre:

'We've come a long, long way. I think even from the way we on-board people to the way we train them, the way we develop them or we think about that. The way that we appraise, the way that we move people round are all much better than they were.'

The GLT: behaviour change and divisional action plans

HR synthesised the themes from the workshops into The Commitment, a quasi-contract between leaders and staff, not only setting out what you might expect from a GLT member, but also what you would be expected to give in return.

The headings were:

- a clear direction
- world-class development
- strong relationships
- business success
- an innovative and creative environment
- global excellence.

Under each heading was a sentence or two about how the GLT should behave to achieve it and about how everyone should behave to achieve it. For example, to achieve a clear direction, leaders would *communicate* the strategy and live and *breathe* the culture and values; the staff responsibility was to *know* the strategy and *live* the culture and values. It gave clarity on what everyone should do to boost the culture.

To support GLT members in meeting their side of The Commitment, HR will introduce 360 feedback on leadership behaviours. Going forward, one WEx member commented The Commitment would help address the handful of people who *'are just not playing the game'* by providing a framework that supports members of the business tackling behaviours that don't fit with the expectations of the company.

GLT members were tasked with relaying The Commitment in a way they felt would be most appropriate to their teams, which led to some interesting variations. One WEx member said the best

communicators might not say all the words in the right order but would be credible about the delivery of the message.

At first glance The Commitment might appear not to have gained traction in some teams:

'They're saying, "Well, I had a specific thing I remember airing about X and now you're talking to me about Y and Z."'

The Commitment is, necessarily, quite long; it sets out how to tackle the important themes. One leader thought their team had not expected the next communication to be a quasi-contract.

However, leaders appeared more engaged with The Commitment:

'I think there was a lot of time and effort put into the GLT group. So we bought into it. … We had … half a day, probably, on it.'

GLT members were actively and successfully making changes in their areas and to their own behaviour, guided by the themes from the workshops and The Commitment. They were developing divisional action plans. These were additional to the plan for actions from the organisation centre.

'In the area that I work in there is a lot of focus on collaborative effort across different areas of finance.'

'All of our project briefs … now have a précis. … You've got to identify with your line manager who's responsible, who's accountable, who's consulted, who's informed.'

Getting the more open, transparent and flexible culture while at the same time thinking about the business outputs achieved through systems and processes requires 'clutch control'. To be able to

'The increased presence of TV screens made people feel more part of a media company. Meeting rooms are themed around famous content, for example EastEnders and Doctor Who.'

adapt initiatives to a region there needs to be clarity about what is mandatory. The HR business partner in one division described creating their plan:

'I literally sat in an equivalent room to this with my whiteboard completely covered, with Post-it notes everywhere … to get that clarity and get those … things that are really going to work for us.'

Consistent with the drive to focus on content and an inspiring, creative environment, programme talent were invited to speak to the UK region offsite town hall in April 2015. In content, the chief content officer is now available to everyone at breakfast meetings, to share more knowledge and find out about different parts of the business.

'It just improves interaction between people at all levels.'

'I feel like I say hello to more people in the division. … There is now a relationship or someone I could probably go to.'

A WEx member talked about using the HR business partner in his region to give the frameworks coming from central HR some personality and individuality. For example, to help build strong relationships with staff, anyone wanting to access him with ideas 'Better Call Paul', referencing the *Better Call Saul* spinoff from *Breaking Bad*.

Now The Commitment has been disseminated, GLT members know their people will be looking for them to meet their obligations.

New office: April 2015
BBC Worldwide in London moved to a new building in spring 2015 and took advantage of the relocation to change the way

people worked. The move affected about 1,500 of the 1,800 people in BBC Worldwide.

'We've deliberately used the building shift as well, massively.'

For a year before the move the number of desks in the old building was gradually reduced to force new behaviours and ways of working before the move, as the new office would be set up for hot-desking.

A WEx member explained:

'This is the first time the UK region has been together on one floor in one building. … [Now] we were putting everyone together in one space, we were doing desk ratios of 15 to 10. That would necessarily involve people for the first time not having their own desk with photographs of the kids. … The way we were going to use this building was part of the culture that we believed was part of the success that was necessary for the future.'

Nobody, regardless of position, has a permanent desk now. The clear desk policy was enforced with zero tolerance; something left on a desk would not be there tomorrow. It's similar to The Commitment: we will give you a fabulous workspace and in return we have high expectations of behaviour in it.

The increased presence of TV screens made people feel more part of a media company. Meeting rooms are themed around famous content, for example *EastEnders* and *Doctor Who*. The building has also been used to tackle specific problems around the meeting culture. Rather than seeking to book meeting rooms, the people director now uses breakout areas. If you do book a room, you must arrive on time and log in on the screen outside or you lose your booking.

'A big improvement because it makes people stick to schedule … and it forces them out of the room afterwards.'

The building is of value to BBC Worldwide staff:

'For me it's knowing that everyone in this building works for BBC Worldwide … because it didn't feel like we were one company before.'

And importantly for tackling the day-to-day difficulties, which Tim argued were significant, tools and resources are better:

'The printers aren't always on the blink.'

Communications
Generally the CEO and the people director are seen as very good at communicating vision and bringing people on a journey by using storytelling. The CEO shows enthusiasm and authenticity. He is a great communicator. He has a common touch and is a straight-talker who is willing to be tough when needed.

WEx and HR have balanced the desire for uniform communication versus how best to engage creative people. The CEO's view is that as a leader in a creative organisation, you have to be comfortable with a certain amount of ambiguity. The latitude given to GLT members on this and the other initiatives, such as how to communicate The Commitment, appears to have helped engage this group and sufficient consistency has been maintained for changes to start to be seen.

Evaluation of change
The BBC staff survey took place in November 2014. The results provided a starting position of 72% engagement (top quartile of the IPSOS MORI engagement

survey). WEx and HR want to improve on this score. The Pulse survey from June 2014 provides a similar starting position on the Pulse questions. In terms of measuring progress, HR plan to compare the results year on year of the 360 feedback of the leaders and appraisal objectives (once the new Commitment behaviours are embedded in them). While there are challenges around attribution of business results to change programmes, the other initiatives running simultaneously with the culture change can be seen as embodiments of the transformational change. In that sense, if the results hit the target, success can be attributed to the overall change drive.

4 Change achieved
There were changes happening on the ground:

'We all sit somewhere different every day.'

'There has been a shift in the past six months actually. It's been much more collaborative, rather than, "You will do this."'

'I've made more of a conscious effort around dissemination of information … involving my team and making them feel that they're really part of and have a vested interest in the company as a whole.'

There are local area-specific stories of change:

'I think probably the place that's clearest for me is in my Australian business. … That business will be up 10% in revenue, about 8 or 9% in profit over each year over the last two years. I think in the main it's about clarity of the overall strategy, the move to balanced regionalisation, putting the right leader in place, building a good team around him and having a

really good culture through that organisation out there.'

'We were so dysfunctional, like we weren't even working with the [name of a country] team who sat beside us … so we have what we call a [team] mixer. It's either a breakfast or an afternoon thing … it was as a result of the cultural workshops. … I feel like they're far more accessible.'

With regards to WEx:

'She tries to come and sit down with us at least twice a week.'

'They're far more accessible and they've got their ears to the ground.'

With regards to recognition by senior leaders:

'It was really nice that somebody at that level was actually calling out individual names.'

Overall the move to dynamic working in the new building, balanced regionalisation, the big culture conversation and action plans for change have combined to launch BBC Worldwide on a journey of change and, while we cannot link results directly to these changes, in 2014–15 BBC Worldwide returned a record £226.5 million to the BBC.

Appendix 2: HMRC case study

1 Context

The Personal Tax (PT) division of HMRC handles tax relating to individuals, such as PAYE, Self-Assessment and National Insurance. PT Operations employs about 14,000 people:

'We run all the customer-facing contact centres for HMRC, so that is for the whole organisation and not just for personal tax. We deal with about 70 million contacts a year through the telephony contact centres. We handle around about 10 million or 12 million items of post a year.'

Their work is intertwined, therefore, with other parts of HMRC, such as Benefits and Credits. PT is based in offices across the UK, from Cornwall to Scotland. There are 12 large offices and a number of smaller ones.

During the recession HMRC were tasked with cutting 20% from the cost base:

'We lost 5,500 people out of PT Operations last year.'

Both customers and the workforce were frustrated. Often customers would not be able to get through on the phones. When they did get through, the advisers on the telephones were highly knowledgeable and experienced but had to stick rigidly to prescribed scripts and guidance.

Customers would be asked to write in or would be referred to a different office, leaving the customer query unresolved after that first contact and the call handler frustrated because they could see how to progress the query but were not allowed to do so:

'Our contact centre staff were telling us how awful it was to have to say to somebody, "I'm not allowed to give you that information over the telephone," or, "I can't see the letter that you sent in … while you are here on the phone now." … It was also causing repeat demand into our system.'

In addition, customers wanted to be able to interact with HMRC in new ways, such as online, and at different times of day, for example between 7pm and 9pm. HMRC PT needed to be more customer-focused.

2 Preparation for change

Overview

There were a number of change initiatives running concurrently: automating work items, such as scanning in the post; a new telephony platform; and using digital technology, for example to enable someone who is *'a normal Pay As You Earn employee … to go online and serve themselves'*.

Alongside these was Once and Done. Once and Done looked at changes which were more in the hands of PT and not dependent on investment approval. It looked at the culture and ways of working needed to reform PT and was run simultaneously with a mass conversation across HMRC called Building our Future. Both of these were in the top leadership team's tasks for the year.

Once and Done: May 2013

Ruth Owen arrived as the new director general for Personal Tax in 2012. She had seen a scheme in the Department for Work and Pensions which sought to reduce handovers, that is, the experience of being passed from department to department without the issue having been resolved, wasting the customer's and adviser's time.

In PT she found the guidance for contact centres had become complex and unwieldy. As a member of the change team described:

'We've had more and more stakeholders build into our various processes, from "musts" to "nice to haves", and it's created some monsters.'

PT needed to find a better balance for customer experience versus preventing error and fraud: an increased focus on the customer journey; giving the workforce greater discretion in how to handle calls; and simplifying processes. To do this, potential improvements needed to be identified, guidelines changed and people management systems reformed.

The adviser of the future would be able to work flexibly, on telephones, post and online, rather than being allocated to just one of these. Advisers would be in customer service centres in fewer locations. In the future the levels of trust between the workforce and senior leaders would be better.

Big assumptions would need to be tackled. Was there any real benefit

to requiring a piece of information to be provided by letter rather than by telephone? The risk-averse culture and governance processes would need to be changed.

The team

The senior manager appointed to lead Once and Done was chosen carefully:

'He's got this kind of inspirational leadership quality.'

'[He] is brilliant at being (a) persistent but also (b) helping people understand that this is a good thing we are doing together and that they want to be involved.'

Ruth gave and continues to give her personal backing to Once and Done.

'Ruth said to me … "I absolutely give you an undertaking, now. I will support you."'

Ruth wrote a letter confirming this, to which he could refer people.

He would report in to the director of all the change programmes in PT. Ruth recruited a new director of change in to PT, who had also worked at DWP.

Until August 2014 the set-up was small, initially only about five people. The group set out to:

'…allow our staff to put their ideas on the table, turn the guidance on its head … not quite renegades, but a few people together who had a different mindset.'

Idea generation

There were three parts to this. Essentially idea generation was from the bottom–up.

The initial focus was on telephony.

'So we … started on Manchester and we said, "we need you to give people

time off the phones to come and concentrate" … To ask them, what are the ideas that will make a difference?'

'We all got into a room … and just talked about things that we couldn't do over the phone and things that they did with the post … things that frustrated us.'

It was like opening a fizzy drink; the ideas shot to the surface.

Second, in 2014 HMRC tested Fresh Thinking, an online idea generation system. Anyone in HMRC can enter a suggestion. Fresh Thinking then triage the suggestions, deciding whether to send them to Once and Done or a different change team. People can track the progress of their idea, comment on each other's ideas and vote for ideas. The icon is on the desktop of all staff.

Third, in March 2015 Once and Done set up a review team:

'It's a small team of six front-line people … reviewing all of our guidance and all of our processes to see which … tells the customer to write in, tells the adviser to tell the customer that we'll write to them, or we have to do a referral to another part of the business. … They're the churn team … already they've made 55 key changes.'

This team turns the pages of the guidance and can identify 'easy' changes, within remit, to maintain momentum and to keep alive the message that change is happening.

The following is an example of the type of thing Once and Done might tackle: a customer telephones about a company, ABC Services, which was closed down three years ago and the tax affairs need closing down. When asked for the name of the company, the customer says just 'ABC' and automatically fails security for

'Customers wanted to be able to interact with HMRC in new ways, such as online, and at different times of day, for example between 7pm and 9pm. HMRC PT needed to be more customer-focused.'

> *'Not all ideas have merit and that has to be acknowledged, but all ideas are logged. The energy generated even by asking front-line staff for ideas is palpable.'*

failing to say 'Services' as well. Under the old guidance the adviser could not tell the customer why they had failed security so the customer and the adviser both got frustrated. Once and Done might ask: can we give the adviser the discretion to say, 'Is that the full name of the company?'

Not all ideas have merit and that has to be acknowledged, but all ideas are logged. The energy generated even by asking front-line staff for ideas is palpable.

The first trials: August 2013
Ruth visited Manchester to find out why the team had made just one change in three months. They were struggling to get changes implemented. Although stakeholders might agree in principle that Once and Done was desirable, when an idea was actually put on the table, objections would be made by stakeholders. As Director General PT, Ruth could go to her opposite number at, say, Benefits and Credits, and draw on the philosophy of Building our Future as One HMRC to seek help on clearing the stakeholder obstacles. However, what the team needed was test data. She said:

'From Monday you can do this on the phone; I'll take responsibility.'

Ruth gave the team permission to start trials in a live PT Operations team in Manchester, without getting stakeholder agreement first.

'She's put herself out.'

Once the team had the data, they got the stakeholders together and gave them the evidence that there was no impact on error and fraud. The meeting took four hours.

That early success showed it could be done.

3 The change process

Trial data
There are now over 150 advisers in Manchester doing trials and more in other locations. The trial teams have a list of Once and Done trial topics. During a call the adviser will be scanning the list to see if an item is there, switching from the guidance to a crib sheet if it is, and completing a log of the call afterwards so data on the trial can be generated.

As the number of trial teams grew, advocates were appointed in the trial teams with allocated time in the week to concentrate on the updates from Once and Done to get a deeper understanding, and in turn to channel questions back to the Once and Done team.

Challenges included the impact on the trial teams' call handling times. The change team had to agree with Operations that the trials were sufficiently important for the strict call handling times to be relaxed, but the service still had to be delivered. As these challenges arose they were addressed, for example, with different ways to log the calls.

Also, trials were dependent on people ringing with relevant queries. For topics which get fewer calls there is now scenario testing where teams can try to break guidance changes.

If a trial was successful, the idea would then be worked into guidance and help cards would be created. The idea would go live in Manchester initially before going live nationally.

Phone First is an example of an initiative which was trialled in Manchester and has since been rolled out nationwide. It was not a Once and Done generated idea, but it later came under the remit

of the team. Phone First was a drive to get advisers to telephone instead of writing a letter to request further information, potentially saving time and money. To get approval to go from trial to live, the report on the trial had to be of a sufficient standard to satisfy the executive committee. The resource implications had to be considered carefully, for example needing more people on the phones and fewer people handling post. Small changes to call handling times can have a big impact when there might be 70 million calls a year.

Customer and employee satisfaction levels in the Once and Done trial teams improved and these improvements were the trigger for nationwide rollout of many of their ideas. Evaluation of the changes continues.

Clearing obstacles
Ruth could not personally clear every obstacle. Director-level support helped. One director recalls a lack of progress in a particular PT office. The director visited the site, tackled a stakeholder issue by writing to them to get the guidance changed, addressed a personnel issue and then went back to recognise the progress:

'They were really proud to show me all of their things that were moving on.'

Finally, the director publicised the good work of the new manager to several hundred senior managers at an event, saying:

'Instead of just being a victim of the fact that everybody was really, really busy, the manager in that site pulled somebody offline, helped to redraft … the guidance, and everybody had a win-win because they got the changes through that they needed.'

All these actions of the director sent a clear message that Once and Done work had support from the top.

More generally, a director commented:

'We were all very visible, going to meet the teams … making sure that we were celebrating successes and putting our own shoulders behind it as a senior management team.'

Agreeing a methodology
Over time the team has developed a detailed methodology for getting ideas processed. There are protocols for consulting stakeholders and time limits within which stakeholders must respond to suggested changes. Likewise, there are protocols around how quickly Once and Done must respond to Fresh Thinking.

'It holds us to account that in eight-week tranches, we'll get these ideas out.'

Using the methodology, they are collaborating successfully with stakeholders and regularly landing changes to guidance.

Using discretion
Once and Done also wanted front-line staff to be able to use their expertise more flexibly. The desired direction of travel was towards a place where the boundaries of an experienced adviser's remit are clear and within that they can use their discretion to reach the right answer. If they make a mistake, put it right and say sorry. The director of operations issued a written instruction three times to Operations staff to think more about the end result and less about whether the guidance was adhered to rigidly. The rule is known as 'Dorothy's Law'. However, change proved difficult.

Metrics and staff performance reviews
There were two problems here: call handling times and the assessment of the quality of a call. The metrics by which PT people were assessed were devised under a different philosophy.

The challenge was to look at the whole picture, not just the call handling times in one contact centre or at one time of year. However, the manager of a contact centre team was used to being assessed more narrowly.

The second challenge was call quality:

'Part of those quality checks will be to have followed the guidance as set out.'

Quality checks are still important but made in a different way:

'And, as people have got more and more confident, then those checks have gone through a lot better. And I think people feel a lot more secure, that they won't be reprimanded in any way for making either a mistake or going a different way … to get the right answer.'

The Director of Operations PT, to whom each manager reports, has repeated this message through the various communications channels:

'For example, Building our Future … the front-line staff had some real issues about checking and people being failed. They raised it in the open forum and I very publicly said, "This is unacceptable and I have written to managers. If you are telling me it is still happening then I need another conversation."'

This challenge was still being tackled in summer 2015:

'We have introduced a new quality approach. … About three weeks ago I did a dial-in inviting every single manager in PT Ops … so several hundred dialled in, to say, "Let's talk about … what you are allowed to do and why it is okay." That made a really big difference; you just have to keep giving the message and keep reassuring.' (Director of Operations, PT)

Leaders
For Once and Done to be successful, everyone needed to change the way they worked. The leaders in the middle, however, had not, perhaps, been brought on the journey.

There were two elements to this problem. The first was how to facilitate leaders allowing their people to use more discretion, discussed above. The second was that Once and Done needed the leaders with people management to be creating an atmosphere in which idea generation was welcomed, rather than treated as less important than getting on with the job.

PT used a workshop. The leaders at deputy director level, who number about 100, experienced the workshop first. They in turn took the workshop to the next level of leaders and so on:

'This is what it means to lead in a Once and Done way. This is … why it's good.'

They received a deadline for delivering the workshop and a pack with PowerPoints:

'They can use storytelling to advise their staff on how they've been impacted by ideas generation. We've asked them to sit down and listen to calls … to demonstrate with some ideas.'

Senior leaders who have gone back to the phones and seen the problems for themselves have then engaged fully with the programme.

In the pack:

'We talk about what our aim is … the challenges that as a business we face. … We give them hints and tips on how they can perhaps develop their people and develop themselves … by being open to challenge and being honest in our answers, by empowering our people, allowing them to be creative.'

It used leadership statements:

'We'll be visible and approachable and welcome challenge, however uncomfortable.'

They were encouraged to get mentors for themselves and their people. PT Ops has committed to every person having ten days for learning and development in the next 12 months. Leaders were challenged to think creatively about ways of meeting key performance indicators:

'They think it's really good.'

The creator of that workshop is a former PT tax professional, who is now on the Once and Done team.

Finally, the Director of Operations PT and her deputy directors started 'manager cafes':

'The middle managers are the ones you don't see as much and actually need your help a bit more. We … listen to them and what their frustrations are … things like performance management, having difficult conversations, engagement and managing attendance.'

They want to know they will be supported by senior management and to understand how, for example, to blame less and engage more.

Line of Business Hubs
The Once and Done team was now being replicated:

'We've created what we call Line of Business Hubs … to roll out Once and Done more widely into NI, employer helpline, tax credits.'

Expansion required buy-in because anything to do with VAT is 'owned' by Business Tax; anything to do with tax credits is 'owned' by Benefits and Credits. However, there are more calls each week on PAYE and SA than these so it could be said that HMRC have tackled the biggest challenge first.

The Hubs were groups of three or four people. Fresh Thinking would now send ideas to the relevant specialism Hub and the Hub would decide whether it had merit. These were sources of expertise. The members of a Hub group were given the Once and Done methodology. They trained by doing a work-shadow in Manchester for a week, to learn how to weigh the merits of an idea, consult stakeholders and, if appropriate, organise a trial of an idea.

The National Insurance Hub had already implemented about 30 ideas. Within local office Hubs they celebrated their own successes:

'What the teams tend to do is, on battle boards and walls in corridors, have the visuals. … "These are our top ideas, here are our successes, get involved, come and see us."'

Communication
Once and Done always thank the person who had the idea:

'When that idea goes live, nationally, that day you get a certificate saying, "Your idea, well done. Today, everyone in the country is following your new approach."'

A problem with previous schemes had been that advisers felt their ideas disappeared into black holes.

Once and Done also publicise the ways in which individuals contribute to change:

'On our intranet pages we have little storyboards and pictures of the people who've been involved in some of the success.'

Mass communications of change were managed carefully to avoid overwhelming staff. Communications were, say, fortnightly instead of weekly; indeed, a minor change in the guidance might not be proclaimed to all, for example, moving 'how to make a change of address' from 'D' for 'designatory' to 'C' for 'change of address'.

As well as communications from the change team there are also communications about the Once and Done team. As one director observed:

'We were saying, very visibly, this is important to us because we've got them up on stage and they are part of our nominations, so those big national awards that send a lot of signals across the organisation.'

Building our Future
Concurrent with Once and Done in PT, there was a programme of mass communication about the changes across the whole of HMRC. Building our Future involved everyone in a conversation about the future, not only what was known (such as online services were launching imminently) but also acknowledging what was

uncertain (such as which offices would close when they merged into fewer sites).

This programme sought to improve communication between senior leaders and the workforce. It was sharing information with and gathering information from the workforce:

'When we did Phase 1, from April 2014 through to September 2014, all 50,000-plus staff attended an event.'

Prior to April 2014, there had been ten months of work on it at HMRC Executive Committee to clarify what the future might hold for the organisation, what the culture would need to be, and so on. They did not use consultants. They developed a narrative and agreed it would be delivered face to face to every employee and captured in a booklet:

'[HR] did a lot of the practical stuff too. The upskilling of people to deliver this story and helping comms write the story.'

Each phase started at the top with the chief executive and cascaded down:

'We … went to a senior leadership group event, where Building our Future was delivered. … We were then required to … develop a delivery programme, using the people who were at that event as presenters and facilitators.'

The logistics of working through 50,000 HMRC employees in a few weeks were complicated. In the call centres in PT, with offices from Portsmouth to East Kilbride, being sensitive to busy times meant:

'We had about 17 or 18 working days, because we couldn't do Mondays and Fridays, to get 10,500 people through.'

They were taken away from their desks for two and a half hours and told about the future of HMRC and how it might impact them. There were directors at every event and the attendees could interact with them:

'People were allowed to ask you any question they wanted and you were not briefed.'

The presentations were followed by table talk sessions. The facilitators on each table gathered information from the events and the feedback improved the change programmes; for example, feedback from one of these events led to changes in the training around the new digital scanning of post.

Since then Phase 2 has been completed and in 2015 Phase 3 was being rolled out to all 50,000. Phase 2 focused on the successes from Phase 1. By providing prompt feedback to the staff in Phase 2 on the changes made as a result of suggestions gathered from the staff in Phase 1, Building our Future facilitated the staff experiencing a sense of having made a real contribution:

'You said this training wouldn't work for this particular project, so we've changed it, and we changed it the week after you told us it wouldn't work. You told us you were having a specific problem with IT in Dundee, so we got the IT team up in Dundee the week after.'

Having this programme of communication running at the same time as Once and Done meant that employees across HMRC felt informed about the changes to come, understood the role of Once and Done in the overall change programme and saw the directors' support for working in a Once and Done way.

Evaluation of change

In terms of measuring the change achieved, there are various sources of data, for example the number of ideas implemented. For 2014–15, the team smashed through the target of 100 to successfully implement 137 ideas nationally. It is estimated the changes have resulted in 100,000 fewer referrals, stopped 600,000 letters to HMRC and avoided 100,000 letters being sent out. However, it is difficult to evaluate the impact in the last few months:

'We had a new telephony platform introduced at the end of last year that had some real technical problems in the early days. … We have also had a new scanning system put in … and that had an effect on performance.'

For evaluating increased customer focus, customer exit surveys track customer satisfaction:

'The evaluation of the Phone First … customer satisfaction … it's gone from quality 82 to 92, that's huge.'

Customers are enthusiastic:

'We get customers calling saying, "I want to speak to a Once and Done team."'

Finally, to assess the impact on employees, absence rates were tracked. Between 2012 and 2013 in the teams in the contact centres trialling Once and Done, the number of days lost to employee absence fell by 19%.

4 Change achieved

The new philosophy is to try to deal with everything in one contact with the customer:

'We make sure that we deal with everything that might be outstanding on that record and make sure that the customer goes away a lot happier.'

'What it is has done is let people follow their own initiative, using their own knowledge and guidance, to actually deal with the customer's query; which has actually sort of torn apart the previous way of working.'

'To date, we've [had] over 200 ideas in the last two years and we've landed every one of those safely.'

The experience of both customers and staff is improving. As a result, trust between staff and leaders is improving:

'I think it tended to generate trust amongst our people, because they saw … senior leaders like Ruth taking action.'

Building our Future has also improved trust as HMRC has become *'more open, more honest, more transparent now'.*

The employees feel valued:

'A sense that they're … being listened to, and their concerns and ideas have been acted upon.'

In addition:

'I think actually it has broken down a lot of barriers between contact centre and processing.'

There are now ideas coming through in other HMRC departments:

'We've got two huge ideas on the go in Benefits and Credits … which will hopefully shave quite a bit of time off the call handling time.'

The mass conversation with the HMRC workforce is itself a big change:

'We've never done anything like that before. … "This is what we're going to look like … What do you think?"'

Across all the change programmes, there is an increased emphasis on the customer experience:

'We've implanted, in Personal Tax, customer insight in every single one of our change programmes. So that has begun to make a difference … we won't sign off a change unless we've done that customer research.'

With regards to Once and Done, the Director of Operations PT summarises the change as follows:

'It is considered a huge success, Once and Done, because we have implemented those 140-plus ideas. We have changed the culture and we are now rolling it out. Staff love it.'

The Once and Done team have been nominated for the PT Achieving Excellence Awards, HMRC People and Civil Service Awards.

Appendix 3: News UK case study

1 Context

News UK publishes leading titles: *The Times* and *The Sunday Times*, which together comprise Times Newspapers Ltd (TNL) and *The Sun*, which is News Group Newspapers. *The Times* and *The Sunday Times* between them won ten British Press Awards for 2014, including Newspaper of the Year for *The Times*.[12] *The Sun* is read by over 10 million readers every week.[13] Within four months of its release in August 2014, the digital edition had over 100,000 paying subscribers. Total paid membership across *The Times* and *The Sunday Times* was up 10% year-on-year at the end of October 2014 and Times Newspapers Ltd posted its first operating profit in 13 years for the year ended 30 June 2014.[14]

Five years previously TNL had posted annual losses in excess of £70 million. Classified advertising was dropping, print newspapers were in decline but nobody had cracked the challenge of making money from news online. Barriers to entry to publishing news were diminishing. Within News UK print journalists typically did not want to be digital, because print brought in the revenue. The sometimes isolated digital teams considered print journalists to be following the dinosaurs. They had valuable skills but not necessarily those of an experienced print journalist. The executive saw the writing was on the wall without fundamental change to the business.

All three News UK titles struggled to adapt to customers wanting their news online, via tablets and on phones. With each digital innovation each title at TNL had bolted on to their main editing suite extra software and an extra team.

'We just could not carry on adding more and more battalions of people to do this work for us.'

'We were making a pretty big loss certainly on The Times *and thinking, "Well, how does this end?"'*

The spaghetti of IT systems across News UK became uneconomical to support. The knowledge of how the 15-year-old system had been set up was held by only a few individuals, creating a risk. Both the technology and the titles as organisations were too inflexible to provide what customers wanted.

The titles are ultimately owned by News UK, part of News Corp. The titles have governance designed to ensure their independence. The managing editor of each title works for the editor and has responsibility for the business side of the title, allowing the editor to focus on the content. The newsroom workforce is referred to as editorial staff or the journalists.

2 Preparation for change

News UK planned a change in culture and to install an IT system which could be used by all the titles to publish to every platform:

'All three News UK titles struggled to adapt to customers wanting their news online, via tablets and on phones.'

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[12] http://www.news.co.uk/2015/03/the-times-triumphs-at-the-press-awards/

[13] http://www.news.co.uk/what-we-do/the-sun/

[14] http://www.news.co.uk/2014/12/growth-across-the-board-for-the-times-and-the-sunday-times/

'We needed education, new technology and at a fundamental level to change the workflow processes of every individual.'

Let's say England have just lost to Bangladesh at cricket. Rather than just thinking about the 8pm print deadline, journalists needed to be thinking about what to do on the website right now, on tablets and on smart phones.

They wanted all formats to be on an equal footing, rather than print being king. News UK made a bold decision: it would not provide journalism online for free. The digital products would go behind a pay wall. To justify charging, the quality of them needed to be as great as in print. Experienced print editors and digital specialists would need to work together.

The Newsroom 360 programme was signed off by the then CEO of News UK. The programme was a big commitment: £27 million over three years. A senior person at *The Sun* recalls from 2011:

'The CEO at the time made it very clear that his challenge to all of us was … to be as radical in our thinking as possible. … When the CEO is saying that to you, you listen.'

New software would enable all editorial staff to publish to every format, making it easier for 'print dinosaurs' to use their skills to publish digitally. In this sense, technology change would enable organisational change. However, to get the titles to agree to the same technology, the titles would have to start collaborating, rather than defining themselves in opposition to each other. In that sense, cultural change would enable technology change.

The executive sponsors chose the leadership for the project team carefully. The programme director combined a general consultancy background with experience of implementation of change at a large scale, knowledge of News UK and an eye for detail:

'[The programme director] is very good at reassuring people because she is just straight down the line … not political in any way … it was quite a consistent trait of the people who were accountable for this project and I think that helped a lot.'

The business change manager was responsible for the communications and organisation change programme. She had HR experience within News UK. Her later replacement was a well-respected journalist. The business change manager was supported by an external consultant to add expertise on transformational change. The technology lead combined deep technical knowledge with an appreciation of change processes. The then CTO, now COO, supported Newsroom 360 on the steering committee and as an executive sponsor throughout, but over the course of this programme there were three different CEOs at News UK. With each change the team had to justify itself again. They kept the confidence of the executive:

'By demonstrating competence, being measured, being considered.'

Newsroom 360 had no power to force organisational change in a title. They could only suggest change. Journalists as professionals fiercely guard their integrity and the independence of the titles is protected by governance:

'It has been a challenge for us to implement change from a sort of neutral position.'

Senior editors were wary of change that might jeopardise the print products, which are still the major source of revenue, but felt secure that nothing would be done to them without their consent.

Over the course of five years the digital strategy crystallised:

'We're not going to chase everything that's out there. We're going to do something that's us.'

Stakeholder engagement
The cultures on each title were distinct:

'The Sun *guys are very, very different from the* Sunday Times *guys, for example.'*

A person from the managing editor's office in each title was seconded to Newsroom 360. The title leads' relationship with each other helped Newsroom 360 navigate the political landscape between the titles:

'We chose the right title leads to make sure they got on and understood that we needed to have … as many common standards as was possible.'

They were the interface between titles and change. Their long-term involvement meant they brought a level of optimism about the project to the titles and protected the titles from inappropriate change.

The title leads seconded to Newsroom 360 communicated, communicated and communicated some more back to the floors. They publicised opportunities to influence the change:

'A big part of this change programme was to try and get people to take responsibility … for defining that change themselves and then implementing it.'

Editorial speak highly of the openness and listening skills of the title leads. They were clear about the long-term benefits; people felt able to approach them with issues. Their openness was in stark contrast to the previous deeply ingrained need-to-know approach.

Much of the communication was by email because of the practical difficulties of getting everyone off a newsroom floor at once, particularly on a daily title. Newsroom 360 had a website setting out the vision, where to find the team and inviting people to visit. They went to the floors to communicate, right to the desks where people sat:

'It was important to make sure people understood this was transformation which happened to have a tech element.'

Journalists can be a difficult audience:

'They're quite a challenging group, which is, of course, what they're paid to do constantly.'

However, the sudden closure of the *News of the World* in 2011 meant they were *'a lot more receptive to having the conversation'.*

Newsroom 360 ran events for all editorial staff in the offices. Those *'went down very well because … it was an investment in their craft'.* There was also training for certain people on mobile journalism and social media.

All these communications, events and training opportunities were under the banner of Newsroom 360, to get people thinking.

There was also communication aimed at galvanising the Newsroom 360 team. The team

gathered on Friday afternoons on the Newsroom 360 floor. People were introduced, explained what they were doing on the project, there were shout-outs for achievements, and cake. It maintained a mood of optimism and broke down divides between editorial and technology.

Visioning
'We went through a whole series of workshops … that involved a number of people from the newsrooms across all three papers … this thing called "Magic and Baggage" … for what is really, really good and you want to keep and what … you want to discard.'

Getting journalists from different titles together was unheard of. Newsroom 360 also took senior people from each newsroom offsite:

'The managing editors never even sat in the same room as each other and had meetings.'

Newsroom 360 did not want the three newsrooms to go in three different directions this time. Early visioning for common workflows was difficult. The team tried to take any emotion out of decision-making and get down to logical argument.

Ways of working workshops were used at various stages, by both 360 and One Team (see further below). They used real scenarios:

'The helicopter crash in Vauxhall happened … on a day that we were talking about a particular strand of ways of working. … We said, "How are we going to tell that story in a year's time when we've got this system?" … you've got your head of news sitting there and you've got your head of publishing sitting there … and you're then bouncing ideas around.'

'Much of the communication was by email because of the practical difficulties of getting everyone off a newsroom floor at once, particularly on a daily title.'

'One participant describes how the project work made him acknowledge that change in the title would happen only if individuals made it happen.'

An early workshop for senior members of *The Sun* also used an artist to capture the vision for *The Sun* as it was discussed.

Digital Leaders
The Digital Leaders programme deliberately took three people from each title and from digital as well as print:

'They wanted to foster this collaboration, and just to try and spark off some ideas that could help the company.'

Participants were challenged to think about News UK as a listed company as well as a media company. They visited New York to see how their sister publication, *The Wall Street Journal*, was already using the new technology. They spent half a day with the film maker Brian Storm and visited start-ups. There was a Q&A with Robert Thomson, CEO of News Corp, and dinner with senior people:

'It was just really interesting, not only finding out about other companies within the News Corp stable, but just more about our own company.'

Over the following six months there were three residential modules in the UK. These modules were facilitated by a leading thinker on the future of news and supported by HR:

'It was just good to be away from the office … because you just don't have much time on a day-to-day basis.'

The participants designed digital projects and presented them to senior editors:

'That naturally evolved into greater collaborative working … nearly three years later … I now do talk to my counterparts on The Sun *all the time.'*

One participant describes how the project work made him acknowledge that change in the title would happen only if individuals made it happen.

Finally, there were personal development aspects; for example, a presentation from HR about dealing with different kinds of people. That included role-playing difficult conversations which might happen back on the floor about new digital projects.

On their return to the floors this handful of people spread the word. A section editor said her deputy came back with *'a real commitment to make the digital parts of [the section] work'*.

The programme had nine participants each time. The third time people campaigned to be picked. The impact is surprising given the small number of people involved relative to the size of the newsrooms. The early reaction of some senior editorial staff to participants' new ideas may have been negative:

'They basically batted us back.'

Yet within a couple of years:

'We have introduced many of the things we put up there.'

One participant notes that all nine participants on his course have been promoted to senior positions, increasing their influence.

This programme seeded missionaries of change in the newsrooms and, by careful selection of some people who were initially strongly opposed to change, created powerful advocates in a challenging audience. The following analogy describes the gradual change of the news floors:

'There's a great story about eBay and how they changed their colour at the top of their website. Everyone complained … they were forced to change it back the next day. And then they changed it subtly over a year, every day making it a slightly different colour. By the end of the year, it was the same colour that they had introduced … and no one even noticed … doing change like that is what [the participants] have now done. It's changing people almost one by one.'

The business change manager designed this programme and was described as a 'great creative mind'.

3 The change process

One Team
The Sun set up One Team. It developed out of the Newsroom 360 visioning workshop with senior people and early participants on the Digital Leaders programme from *The Sun* were involved. While consistent with Newsroom 360 philosophy, One Team was distinguished from Newsroom 360 so that any failures in or resistance to the technology change would not tarnish the reputation of the organisation and culture change on the title. *The Sun* was rolling out the new technology last and while the technology rollout had been largely successful in *The Times*, it had still been challenging and there were a few fixes to be delivered:

'We took the senior people from the floor … to a hotel … and … put together a … smell the coffee pack, because The Sun *has traditionally been this moneymaking monster … see that trend? At this rate come 2017 is there going to be a paper?'*

As with the Digital Leaders programme:

'A number of people involved in One Team also went off and looked at other newsrooms … they went to Germany … Prague.'

One Team used volunteer ambassadors; there was a room people could visit to find out about One Team, and when the pay wall for *The Sun* was launched, *'we managed to get some traction behind the One Team stuff'*. They made sure the new editor was on board. A few months later in January 2014:

'Everyone went up onto the top floor of the old building and [the editor] said, "By the end of the year … you will be working across platform … it's our commercial future, it's all of our jobs."'

Exercises such as getting journalists to code an app were used to encourage a change in mindset. A number of pilots were started to get people working *'with a cross-platform mind'*, even before the rollout and move to the new building. One Team:

'Transformed the way that we consider our content, the way that we commission our content and the way that we publish our content.'

New building: 2014
The News Building is stunning and inspirational, adjacent to the Shard, with views across London. It brings all the companies in the News Corp stable together. The move has been used to promote integration within titles:

'For the two Times *titles, … whereas previously they were on two floors each, they are now on one floor and I think that has made a big difference in terms of visibility.'*

The move provided an opportunity to integrate print and digital silos. The building also provides an

impressive location for hosting events for readers, supporting new approaches to generating revenue.

Business Intelligence Unit
To support the increased customer focus, the Business Intelligence Unit grew:

'Last year they were six, this year they're 60-people strong.'

It supports Marketing running Times+, a members' club which is part of the subscription for *The Times* and *The Sunday Times*. Members get access to, for example, priority screenings of films and highlights of the Champions League.

The unit also supports titles in understanding their readers:

'We look at numbers of readers … dwell time … subscriber churn … in much more granular detail … that has come in the past couple of years.'

New responsibilities and iPads
Section heads were made directly responsible for the digital appearance of their product:

'At a heads of department meeting with the previous editor of The Times *… we had a … three-hour morning session on digital, which is unheard of… "And who is going to do all of this? … All you department heads, now, as of this moment, it literally is your responsibility. … The editor here is going to tell you off if he doesn't like it."'*

Every section head was given an iPad mini so they could see the tablet edition.

Technology change

Design
The depth of detail involved in the successful rollout of the Méthode

> *'The successful operation of both an evolving change programme and technology programme simultaneously relied on perfect communication between the two.'*

multimedia publishing system to around 1,500 editorial staff is astounding. Detailed studies of the 'as-is' workflows were done to map the collective editorial staff's working patterns:

'We looked at ... when you pair the pages ... typesetting ... font ... what every night goes in to producing the print edition and the digital edition.'

The existing print products alone were 'sprawling'. The racing tables in *The Times* are produced in a very different way from the Property section of *The Sunday Times*.

'To-be' workflows were also completed. The successful operation of both an evolving change programme and technology programme simultaneously relied on perfect communication between the two. This was facilitated by 'gates' in the processes which stopped anything passing through until the implications for both streams of work were understood. Change continues:

'The best thing that we can do is create something that is flexible.'

Subject-matter experts and business analysts needed to work well together to achieve maximum transformation while protecting existing magic.

The change impact analysis, skills analysis and training approach followed. There was over 18 months of scoping, designing, building and testing before implementation:

'We brought a comms guy in and he managed the different types of communication that editorial received from the point at which we were going to tell them about

their go-live dates right through to implementation.'

Rollout

The rollout started in 2013 with *The Times*; continued in March/April 2014 with *The Sunday Times*; and finished in April 2015 with the completion of the rollout to *The Sun*. The team worked up to the time-critical news and sport.

The Newsroom 360 team expanded during implementation with section co-ordinators, implementation managers and training co-ordinators because editorial staff cannot come off the floor for more than about three hours at a time. Training was supported by masterclasses on the floor, breakout sessions and super-users (see below). Newsroom 360 went to the newsroom stand-ups. They gave away mini iPads to Méthode stars of the week.

Training comprised classroom sessions introducing the vision, known as the Prologue, and then computer-based sessions. The Prologue, delivered by consultants, took 30 people through how a piece of content gets from A to B and how each person in the chain is affected. It used pieces of paper and envelopes to simulate the files. It supported the culture change; it sought to build empathy for colleagues and collaboration.

In spite of what is widely considered to be some of the best systems training ever delivered in the organisation, rolling out a new system, particularly on a daily title, was always going to be challenging for editorial staff. A senior person describes:

'I was in a meeting once where someone said, "We've got to go back to [the previous system]," ... and I was like, "No, we're not going to do that."'

Holding the line had to come from the top. Newsroom 360 carefully kept the confidence of senior editorial people, thereby ensuring the line was held at the top. For example, training for the editors was personal rather than group-based.

Both systems had to be run in parallel to start with:

'We had a very hard, very hard few months.'

However, the editorial staff felt supported. One section editor recalls an executive from the steering committee being on the floor, asking what she thought could be done.

The editorial staff had the mentality to get the paper out every day:

'It taught me something about my colleagues, just their sheer resilience.'

Over the two-year rollout, every page of every edition of every title went out on time. The programme director is widely credited with great project management skills. The project *'has been kept on track and on budget in a very, very impressive fashion'*.

Floorwalkers and super-users
Floorwalkers were full-time IT experts and super-users were people from the titles who had been trained in depth on the new software. These were a great success:

'Most people's brains are in their fingertips so it's only when they start using it that they start asking questions.'

One super-user describes the initiative:

'If I've been able to make it work for myself, I'm going to be able to act more effectively as an intermediary than someone who is just a proselytiser for the system.'

'Two months before it went live I was full-time on the project … trying to produce dummy editions … trying to break it.'

They made judgements:

'We could work out at what point to stick to the change message … and at what point to say, "Look, you've just got to get the paper out."'

For example, as a guiding principle it is desirable to put content into the 'none-channel' from which it can be published to various platforms. However:

'We have live match reports which are taken as rolling copy and you basically have five minutes to turn them round and get them out the door. The idea of doing anything in the none-channel with that is just a pointless conversation.'

They could also:

'Work out the difference between user error and system error.'

They could report back true problems with the system as they became apparent, having filtered out user error.

Super-users knew the personalities on the titles:

'It's recognising who, if they are upset with the process, can actually affect the mood of the whole paper.'

Finally, they were buffers:

'[Journalists] had somebody to vent to with their frustrations in a way they wouldn't want to with someone who wasn't from the floor.'

Evaluation of change
It is difficult to tell what change is attributable to the programme:

'This all happened as the economy started to improve, so we can't necessarily measure it.'

'We created a climate of change and that accumulates value over time.'

However, circulation and subscriptions can be tracked:

'The circulation of The Times *has gone up.'*

'Digital products are now significant in our business.'

The employee survey reveals changes:

'The scores across editorial in particular were very low by comparison with where they were expected to be. … We repeated the exercise last year and the scores were much improved … I am not saying Newsroom 360 is a key driver of that, [but it is a] component part.'

Newsroom 360 can see change spreading on the floors. A digital team is now working with:

'…one of the most reluctant desks to embrace digital on The Times *… on a feature that will not appear in print at all.'*

Newsroom 360 gathered feedback on the systems training as the staggered rollout went along, deliberately seeking feedback at the most painful points of rollout so they could improve for the next title. At the end of the project the senior members of the team went round the stakeholders to gather their views:

'My team is at the heart of the newsroom … and at the beginning of morning conference, there's at least five minutes talking about digital. … That is a transformation.'

'Generally people have said, "We think this has gone really well. This is a template for technology and change programmes in the future."'

Finally, a widely held view is:

'If you want a measure of success, they haven't been late on any off stone time of any title and they produce … let's say 64 pages for The Times *and* The Sun *on a daily basis.'*

4 Change achieved
News UK has implemented technology change, organisation change and moved buildings. The COO summarises:

'We have a truly reorganised multiplatform newsroom in The Sun*. We have multiplatform in* The Times *and the reorganisation has started and continues there. We were perhaps naïve on* The Sunday Times *because it is published only once a week so the emphasis is still very much "print first" … [but] we are now on the beginning of a journey.'*

Even on *The Sunday Times* there are substantial changes; a deputy editor talked about getting sponsorship for a supplement, having never considered this before Newsroom 360. There is a shift to thinking *'not just as a journalist, but also as part of a business'*.

The head of digital at *The Times* and *The Sunday Times* reports:

'My team is at the heart of the newsroom … and at the beginning of morning conference, there's at least five minutes talking about digital. … That is a transformation.'

On *The Times* the digital sports editor reports:

'I [now] sit next to the deputy sports editor and in front of the sports editor … my role now also involves editing on the print side as well. People on the print side … are involved in commissioning digitally as well. All of those things are overlapping and much more so than five years [ago].'

As the editors' focus on digital increases:

'Obviously it's in the section heads' interest to be interested.'

The value of resistance to certain changes is explained by considering an alternative:

'We could have been entirely focused on breaking news at 8 o'clock in the morning, midday, 5 o'clock in the evening and at the end of it say, "Now just shove it all in the print edition." That would have been the wrong move. I think history probably bears that out.'

The rate of change is careful because:

'Our print sales are doing very well. Advertisers still pay an awful lot more for print advertising than they do for digital.'

As one managing editor comments, you have to be ahead of the readers but not too far ahead.

Finally:

'We introduced a system without the customer noticing. … You can put an edition produced six months ago next to the edition produced this morning and you would not be able to tell the difference.'

Ironically this absence of change is a sign of the success of the programme.

Appendix 4: Zurich UK Life case study

1 Context

Zurich Group has about 60,000 employees worldwide, including 7,000 in the UK, covering two business streams: general insurance and life. Zurich UK Life offers a selection of personal protection, pensions and investment policies. Its results for 2014 revealed new business value up 17% and annualised premium equivalent up 41%.[15] Yet four years earlier Zurich UK Life had become risk-averse, bureaucratic and slow-moving, struggling to adapt to changing market conditions and customer behaviours. While Zurich UK Life always expressed a focus on customers and valued charity work, employees did not always feel valued. Within Zurich worldwide it was not a part of the organisation in which people aspired to work.

The industry was experiencing significant change in public policy, regulation and competition. The shift of responsibility from state/industry to individual could be seen in the changes to the state pension and companies moving from final salary to defined contribution pension schemes. As the burden shifted, the Government was concerned to protect the individual with greater regulation. The Retail Distribution Review was the biggest change to hit the industry in a lifetime. Providers of products and independent financial advisers, 'IFAs', had to find cheaper operating models. There were opportunities to sell directly to those priced out of the IFA market, but new entrants in the market were more agile.

In this case study, the Zurich UK Life executive is referred to as the 'exec' and the senior management team as the 'top 80'.

2 Preparation for change

The executive team recognised the need to change and create a lower cost base. They made redundancies:

'We took out 20% of the roles in the organisation.'

They also decided to rationalise the buildings in Swindon.

Zurich UK Life developed a digital platform. IFAs wanted:

'...an IT programme where they could see all of their clients' monies and investments in one place, and could use that to communicate with the product providers, like ourselves.'

However:

'It was taking ... too much time and too much cost. ... There was a real need to be more effective in how we finished that delivery to our customers, and developed the products we would put on it.'

New CEO

Gary Shaughnessy arrived as the new CEO of Zurich UK Life in 2012. He was recruited to change the organisation. He started with an exec off-site, using an external facilitator, to look at the vision, strategy, behaviours and culture:

'We agreed ... our purpose was "Protecting People's Futures" ...

'While Zurich UK Life always expressed a focus on customers and valued charity work, employees did not always feel valued.'

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[15] http://www.zurich.co.uk/mediacentre/pressreleases/2015/company/article120215a.htm

whether it was through ensuring their pensions … delivered the pension they were expecting, or whether in tragic events such as critical illness or death that the financial promise we'd made we delivered on. … We had one of those artists along … we had that digitised and shared across the organisation. There's one particular little section of that picture which is effectively a sun, with the "Protecting People's Futures" words and that was rolled out to everyone as a screen saver … all our strategy documents have got that within them as well.'

Although there were great aspects to the organisation, such as high levels of integrity and technical expertise, the exec identified various issues:

- **Restructuring:** Gary organised the UK Life business around three customer groups: corporate business, retail business and 'In Force' (policies still on the books but no longer sold). The cost-cutting and structural changes disrupted the workforce.
- **Bureaucracy:** process and red tape needed to be reduced. Zurich UK Life had put in *'gold-plated sets of governance and control'* but *'decision-making became … unwieldy'.*

'You had to go and ask someone for a pencil, and they would walk you to the stationery cupboard.'

'It was impossible to get things done at the sort of pace that you needed to.'

- **Silos:** two teams could be sat adjacent to each other and have no idea what the other did.
- **Empowerment:** individuals needed to be clear on their decision-making authority and feel comfortable with making decisions within that autonomy.

Decisions needed to be made in meetings rather than carried over to another meeting, or escalated to a higher authority. There needed to be more accountability and ownership by individuals to get things done:

'My authority to take decisions had been at a much higher level in the organisation I came from. … I wasn't used to … multiple layers of approval and signature.'

This transformational change required culture change as well as specific interventions to tackle red tape and process.

ACE/PACE
Gary worked with the HR director and communications director to agree a new set of behaviours they felt were required to deliver the change and create the desired culture. From that ACE was born and taken to the exec. **Agility** is used to mean flexibility and adapting appropriately to the circumstances; **collaboration** addresses the need for the three streams of business, teams and individuals, to work together; and **externally focused** is asking what others need (both customers and staff), not what I need. Collaboration is different from compromise: views should be shared, a decision made, compromise is not essential, but people should collaborate to implement the decision. People should stop focusing on the figures and refocus on the customer. ACE set out what was desirable beyond the values in Zurich Basics:

'It's been memorable, it's made sense to people and they've seen recognition off the back of it.'

Even before ACE was launched Gary:

'…did things, Tea for Ten sessions, to try and get out amongst the

organisation; the exec team did the same. So we had quite a large communications programme before ACE got mentioned.'

ACE was launched in January 2013 and in January 2014 it became PACE, reflecting the passion he spotted in people going the extra mile. **Passion** for the culture change and new ways of working is really important. Adding the 'P' reinvigorated the initiative. Part of the strength of PACE is its applicability to every role in the organisation.

Gary chose the team to sponsor the ACE programme carefully:

'Shaun Hicks, who's the chief risk officer, and Jeanette [HR], headed up the programme. … By definition, he's the embodiment of risk management. … If Shaun's an advocate of ACE, there's no reason that anyone in this organisation shouldn't be.'

So in 2012–13, Gary's first steps brought about clarity of purpose and mass communication of that:

'I remember Gary doing a bit in our Year Start.'

After that the communications had *'a regular rhythm and cadence'* with exec off-sites three or four times a year and senior manager meetings every three or four months, with people and culture fixed on the agenda. Posters were used around the offices. Even by the end of 2012 there was more face-to-face communication within the business.

However, some people were sceptical:

'You're going to have to strip away quite a bit of governance to be able to go forward with this into the future.'

Meetings

Gary tasked a small team with doing a review of every regular meeting: attendees, purpose, frequency and output. The size, frequency and number of meetings were slashed. There was a 'bonfire of the committees'.

Exec behaviours

Before launching ACE, Gary got the exec to work on their behaviours, so that when ACE was launched, the exec behaviours would be consistent with it. The exec now are closer to the staff in the sense of being more visible and interacting more on a face-to-face basis, but at the same time have had to distance themselves from the detail and empower their staff to show what they can do.

As an exec member describes:

'I was probably at the heart of our … programme before, and knew absolutely everything that was going on inside out. … I've had to let go of some of the things that are happening … rather than be part of creating the solution.'

'The 360 has helped me.'

The exec had not always been seen as collaborative previously; rather it was internally competitive and argumentative. The new structure supported change in the exec: having a single person responsible for a business line made it easier to get things done. There were also new approaches to working; for example, Gary headed a monthly 'cross-collaboration meeting' of, among others, the heads of business lines. Gary got the exec to a point where they were viewed as a collective.

Managers supported the exec being more visible. The execs were happy to visit teams, but *'they want an invitation, and they want something to talk about'*, to avoid awkwardness.

'My team were sitting this exam, so I emailed Jim Sykes and Carol Cantlon … and Simon Foster: "Would you mind just dropping them an email and saying, good luck?" And do you know what? They all did.'

Similarly in Cheltenham managers ensure every person gets invited to afternoon tea with an exec member.

3 The change process

Top 80 behaviours

The exec then brought about behaviour change in the top 80. In 2013 Gary did one-to-one interviews with them. A member of the top 80 describes the atmosphere in their meetings having changed to a position where you feel relaxed about asking questions.

The managers had similar challenges to the exec; for example, learning to be less involved in the detail of work unless absolutely necessary. The exec example was of value to managers; for example, a manager noted Gary criticised people printing in colour and:

'…now I feel that it's absolutely fine … to point out where other people are falling short on this.'

To support the cascading of new behaviours through the organisation, HR ran PACE 360 feedback, designed by outside specialists, in 2013 and again in 2014. The invitations went out from Gary; there was a 96% return rate. HR ran a workshop and took the senior managers through the feedback. Individuals had action plans. Between the two surveys, every measure improved apart

'The new structure supported change in the exec: having a single person responsible for a business line made it easier to get things done.'

'Part of the importance of changing exec behaviours was to cascade management behaviours which promoted empowerment.'

from one that stayed stable. This success is all the more remarkable because concurrently Zurich UK Life announced proposals to change its own pension scheme, which left senior managers with difficult workforce challenges.

Part of the importance of changing exec behaviours was to cascade management behaviours which promoted empowerment. Gradually, as the exec encouraged their managers to take the initiative, the managers in turn felt supported to empower their teams. A manager gave the example of deciding he would like to put his team through an exam. In the old Zurich UK Life he would have needed multiple signatures. Now, once the business case had been made, he felt empowered to deliver it without repeated recourse to a committee. His superior did not criticise him when the numbers deteriorated while the team were training.

Process reduction
The requirement to challenge unnecessary process and meetings cascaded down through the organisation, with senior managers challenging middle managers and vice versa, for example, to challenge the need for a signature. In such a regulated industry, this required exec members to persevere with pushing people to reach an understanding of what was necessary and what was disposable.

One manager recalls a regular management information pack being cut from 60 pages to 10. He himself now spends 15 minutes writing a list for a meeting, rather than three hours preparing PowerPoints.

The significant redundancies added urgency; the surviving workforce did not have time to attend all the

old meetings and work in the old way. The resistance of regulatory and compliance departments had a role to play in not going too far. Methodologies such as lean, agile and scrum were used to simplify working practices. Consultants helped; for example, on lean the consultants trained some Zurich people, who then delivered it throughout UK Life.

Gary reports how lean helped to reduce meetings:

'The leader of one of the teams … said to me … when they did the review of the work that she did, 19 hours a week she spent in meetings and now she spends one. [She is now] … with her team … encouraging her team.'

P/ACE champions
HR recruited champions to be a sounding board for initiatives to improve employee engagement and to promote ACE. In part they developed into a translation role, taking the corporate messaging regarding behavioural expectations and making it specific and directly relevant to their areas.

'We have regular get-togethers of the team. … The PACE champion … is always given a brief slot.'

Champions met monthly. They captured ideas from the whole organisation and have been:

'…a prolific provider of ideas around engagement and culture change and how we keep this journey going.'

The type of person who makes a good champion sets a good example, is approachable, enthusiastic, willing to put in the time, is comfortable with ambiguity and believes in and cares about PACE. It is a networking opportunity and helps

meet the requirements of an individual's end-of-year review. The individual gets some profile in front of the exec and a sense of influence.

The PACE champions, chaired by HR, organised initiatives:

- **Learning week:** people were encouraged to take some responsibility for their own learning. The exec supported learning week by running training sessions. Areas of the business set up 'come and see what we do' stalls so employees could increase their knowledge of the business and see job opportunities available within Zurich UK Life.
- **Changing the habits of a lifetime week:** again, this event was supported by the exec who, for example, might talk openly about something they had found hard to change about themselves. The way you have always done something may not be the best way to do it, so there is value in trying to break habits.

The biggest challenge for champions was dealing with people *'who don't want to be on board'*. One champion described calling out retrograde steps, for example, speaking up about meetings creeping back in. People would take this from her because they could see her passion for PACE.

The champions facilitated the PACE award scheme.

PACE awards
Anyone can nominate another individual or team for demonstrating PACE behaviours. Not every nomination will be successful, but nominations as well as wins are celebrated. In contrast to previous award

schemes, the nomination process is straightforward: a freeform 500 words explaining your nomination. PACE champions can help and encourage nominations every quarter; some use a regular agenda item in a department meeting to consider behaviours worthy of nominations.

The judging panel invites new judges from every rank each quarter. Being a judge is another way to learn about PACE:

'I found it really inspiring.'

Exec members surprise the winners by turning up at their desks or calling them. The nominees and winners are publicised organisation-wide. The stories bring home the meaning of PACE.

'Ah, this is how he was customer focused, this is how he was agile, this is how he was collaborative, that makes more sense now.'

Nominations and wins are re-promoted locally, which can help when employees feel unable to keep up with all the announcements on ZNet (the global Zurich intranet). One employee described how culture drives can be forgotten when you are working hard, but she remembers PACE:

'[You know] when a team's won because you can hear them cheering half way down the department.'

The continuing exec involvement suggests the exec believe in PACE. It depends on exec behaviour change:

'I make a point of ensuring that I am one of the people that gets out there and presents PACE awards.'

The scheme is a success and is now in its third year:

'The prizes are incredibly generous. My team won last year, and we got £500 to go out for dinner, which we did, and we didn't manage to spend it all, so then we had some money that we put towards some drinks. Then everyone gets taken out for an evening with the exec, which was really fancy, and all that is paid for again.'

The annual awards dinner has a reputation as a fantastic night out.

However, recognition has proved more important than the size of the prize:

'We had £150 as an individual award winner. The feedback from the PACE champions was, "We want more people recognised; we're not bothered about the money." So we halved the money on the individual bit … and nobody batted an eyelid.'

The number of winners every year is such that everyone sees winners in their local area.

The organisation/individual change gap
Some way into these early initiatives the exec still saw big meetings, decisions not being made, and so on. It became apparent that individuals accepted the need for large-scale change but often thought that what they did on a daily basis was already fine.

One response to this was work on translating empowerment to the individual level: work on the 'powers reserved' formal documents as well as work with teams to go through examples of decisions reserved for the manager, or even for Gary, and decisions they could take:

'Having that real clarity of understanding then enabled my team to be able to do their job with huge confidence. Knowing that they could ... confirm, "Yes, we can do that" without saying, "Oh, I've got to go back".'

Gary repeated time and time again the importance of people feeling able to make mistakes and learn from those mistakes. One leader described how she in turn has said to her team that they will make mistakes but that it will be fine and the team will learn from them.

Managers were also provided with a Navigator Pack to work through the strategy and translation of ACE to individual behaviours with their teams. It was a facilitated discussion. There were no PowerPoints. Because of the time required (three hours) and the number of people involved, it required managers to take their teams away from their desks, giving people space to *'think through, "what does that all mean?"'*

The packs provided activities to collect people's opinions and captured those in action plans which were collated into divisional action plans. When people saw their ideas implemented, they felt more engaged.

Local initiatives
Within teams there was scope to implement local initiatives to achieve desired changes. In Finance they used 'Insights', which helps people understand their own and others' personalities and how to relate to each other. The Head of In Force introduced 'net promoter' scores:

'"Ranking from zero to ten, how likely would you be to recommend us?" ... if across the piece you're negative, that's telling you your

customers, on average, would point people away from you, and if you're positive, they'll point towards you.'*

Another exec member created 'Ride the Subway' to help people to empathise with financial advisers. People could sit with a retail sales person serving an IFA. It helped them understand how they could in turn help the retail sales team.

Even if only a few people took part in something, they brought it back with them and it still had a big impact. This freedom allowed managers to implement initiatives appropriate to their people.

Recruitment/L&D/performance management
As well as working to change the behaviours of the workforce, HR also worked with the recruitment team. They were seeking to move away from recruiting people 'like us' to recruiting people who would challenge them to operate in a more agile way. PACE is covered in the induction. L&D worked to support existing employees too; a recent workshop addressed agile and empowered management by developing the coaching skills of managers. HR/the exec also increased the emphasis on behaviours in the performance management system.

A specific application of objectives has been to promote collaboration. This was being demonstrated from the top:

'We have a workplace project at the moment, so the Head of Marketing and the Head of Corporate have got joint objectives, which means ... they can only succeed if they both succeed.'

New offices: March 2013
In Swindon, Zurich UK Life surrendered its flagship building

and moved everyone in together. The number of desks was reduced, offices eliminated, areas for quick discussions and small meeting rooms increased and the buildings designed to promote more dynamic, less silo-based, working.

'If we want a quick collaborative meeting, we've got ... pods, or ... sofas.'

Individuals were given laptops and gained a sense of being trusted. Many people no longer have fixed desks. Dynamic working is not considered possible for all roles but overall the refurbishment is:

'...colourful and lighter and brighter and airier.'

The exec members gave up their offices and now hot-desk. The exec interacts informally across an open area, rather than the more formal interaction when they had individual offices. Managers are now visible to their teams:

'There isn't a physical barrier. You haven't got to go and knock on a door in order to go and talk to him.'

The new office promotes immediate discussion, not a meeting in two weeks' time. It supports using 'feet not fingers': get up and talk to someone, do not send another email. Another area gives cross-discipline project teams dedicated space to promote collaboration. At other locations like Cheltenham they are also using 'feet not fingers' and have replaced exec offices with desks.

Finally, thought was given to encouraging more interaction in the new offices to break old silos:

'"Meet the neighbourhood" sessions ... that was a way of just getting to talk to people; you tended not to do that.'

ELT: 2014
Working with the top 80 was unwieldy for getting feedback on elements of the change programme. Gary set up the Extended Leadership Team (ELT), comprising 11 senior people chosen for their behaviours and the influence they demonstrated. The ELT met regularly with the exec to work on delivering strategy and culture change.

Publicising changes
The changes to process and service combined to change Zurich UK Life's reputation in the market. The Voice of the Customer initiative had people calling customers to report, for example, a particular product being available online. Customers said they would start putting business back through Zurich again.

Progress was celebrated with the workforce. At year starts:

'It's not just Gary … it's actually that guy, Geoff, who runs the claims team, telling us what his claims team now do differently.'

Evaluating change
The challenge of evaluating change is exacerbated in this industry by the nature of the product. Put simply, for a policy sold in 2015, the profits will accrue over the next 25 years. The profits in 2015 are determined by policies sold over the previous 25 years.

HR tracked the progress of the global engagement survey, pulse surveys and 360 reviews, and addressed poor scores. For qualitative feedback, verbal soundings were taken from champion meetings, town halls and quarterly results calls. Finally, HR found the number of nominations for PACE awards useful; as a nominee you do not get a prize, so nominations show engagement with the programme.

Externally, Zurich UK Life could compare its speed of reaction to legislative changes against the reaction of competitors. How quickly did they get a new product to market? Poor customer feedback was investigated with 'Close the Loop' calls. Even exec members made those calls.

4 Change achieved
Zurich UK Life's relationship with the rest of Zurich Group improved:

'We are seen as a very positive place for the group to invest.'

'It was seen as a retrograde step to come back to the UK business. … Now the UK Life business is seen as a great place to work and we've had other moves back into the UK, which have been quite symbolic.'

Three departments within Zurich UK Life now have gold accreditation from Investors in People.

Considering the detail of the changes, it is generally agreed the executive team are more visible and in touch with the workforce:

'Before you would have had two or three people to go through before you even got to some of these people. And … they're hearing it from us, you know, they're not sort of getting a report or minutes from a meeting.'

With regards to agility, the frequency of meetings, such as the unit pricing committee, has been cut. The new thinking is:

'If it is a three-hour meeting and you are only needed for 10 minutes of it, just go for the 10 minutes.'

The reduction in bureaucracy is allowing more agile approaches to flourish:

'The changes to process and service combined to change Zurich UK Life's reputation in the market. … Customers said they would start putting business back through Zurich again.'

'The focus on customers prompted changes in service, for example halving the pay-out time on critical illness claims.'

'The test and learn type initiatives … let's see if there's actually a demand out there in the market for this, and if there is then we can industrialise it … but if [not] then we can stop it quite quickly, without having incurred a huge amount of cost in getting to that decision point.'

The tests show external focus too:

'We're not just assuming we know what our customers out there want and going and building some really complex, expensive products that take two years to launch.'

'Gathering the information from the customer and actually taking it on board has improved a great deal over the last two or three years.'

Overly restrictive regulation and bureaucracy have been cleared. The reaction to mistakes has changed:

'We dropped the ball on something recently and we haven't gone into panic mode … we could have been in severe panic mode if this was a few years ago.'

People are seeing collaboration:

'We're sharing our experiences with retail … it's not something I've been asked to do before.'

'People are much more flexible in their working day … to meet with people and make the decisions that need to me made.'

The benefits were apparent in the response to pension changes which came into force in April 2015. In Cheltenham they received over 3,000 calls in April. Individuals pulled together to answer the calls. People picked up a phone, even if they had not done so for many years:

'Maybe the biggest change is that today you'll see people roll up and do a job that's not their job to deliver something.'

The increased external focus has changed how people feel about their contributions to the business; for example, the claims team now feels like an exciting part of the business, rather than somewhere less glamorous than sales. The focus on customers prompted changes in service, for example halving the pay-out time on critical illness claims. That took a *'lot of customer journey work and a lot of collaboration'*.

Another aim of the change programme was to empower staff. They are seeing new practices on the floor; for example, ZWOW encourages the team to decide how the workload will be achieved, rather than the manager dictating to the team. The exec set the example:

'Decisions that would've been made by exec members before you can actually see being made by heads of department instead.'

Staff can feel the change:

'It's more of a discussion than, "Can I have permission to do this?"'

'[The biggest change] is that red tape going … it's about having a go, and it's that support that you then get when you've had a go.'

Finally:

'The results this year were great. … So definitely, you can see that we're doing the right things and that we are getting the right financial results.'

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