THE ADAPTIVE ORGANIZATION

*Personal Agility and Resiliency
are the Keys to Success*

TRACOM® GROUP

THE SOCIAL INTELLIGENCE COMPANY®

> "Long-term success in this era of fast-paced technological change and global economic shifts requires a new way of thinking and operating. In fact, the corporate playbook is being rewritten and replaced by one that takes **business agility** to a level we have never seen before."

LYNNE DOUGHTIE, CHAIRMAN CEO, KPMG

AGILE PEOPLE CREATE AN AGILE ORGANIZATION

It's clear that the business landscape is changing in a rapid and disruptive way. And change is likely to remain a constant, as businesses face new technologies, rising customer demands and emerging nontraditional competitors. In response, executives recognize the need for greater agility. Agile people create an agile organization. We define organizational agility as the capacity to recognize, deal with and exploit opportunities in a changing environment. Agile companies adapt to and create change more successfully than competitors and are able to capitalize on the opportunities emerging around them. Compared to non-agile organizations that whither in the face of market and technological changes, agile organizations effectively zig-zag and use environmental turbulence to strengthen themselves and innovate their products, processes, and services. Think Apple, Toyota, or Zara.

74% of global CEOs surveyed by KPMG in 2015 cited new entrants disrupting their business model as a top concern.
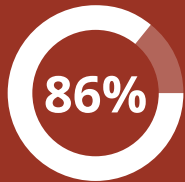
86% said that customer demand is under pressure because of declining customer loyalty.

According to a poll conducted by the Economist Intelligence Unit, nearly **90% of executives** indicate that agility is essential to business success. It is a critical pathway to higher revenues, customer satisfaction, and operational efficiency[1].

PROFITABILITY & COMPETITIVENESS

Not surprisingly, agility is also connected to higher profitability and competitiveness over time[2]. Research suggests that agile firms grow revenue **37% faster** and generate **30% higher profits** compared to non-agile firms[3].

In the effort to achieve organizational agility, many companies focus on building new structures or practices – eliminating jobs, offshoring, removing levels of management, and so on.

What they overlook is the "people" element. They often fail to recognize that achieving agility for their company requires change that begins and ends with their people.

IT STARTS WITH PEOPLE.

Personal resiliency and personal agility lead to organizational agility. Resiliency is the ability to bounce back in times of adversity and deal effectively with the changes that come at us. More than any process, people play a critical role in enabling organizations to become more agile. It encompasses skills which combat viewing stress as a negative. Personal agility is the ability to generate positive change by adopting a flexible mindset that promotes the generation and implementation of original and useful ideas. Rather than merely withstanding change, agile individuals capitalize on opportunities in their environment and pro-actively create change.

Let's look at these two interrelated skills in more detail.

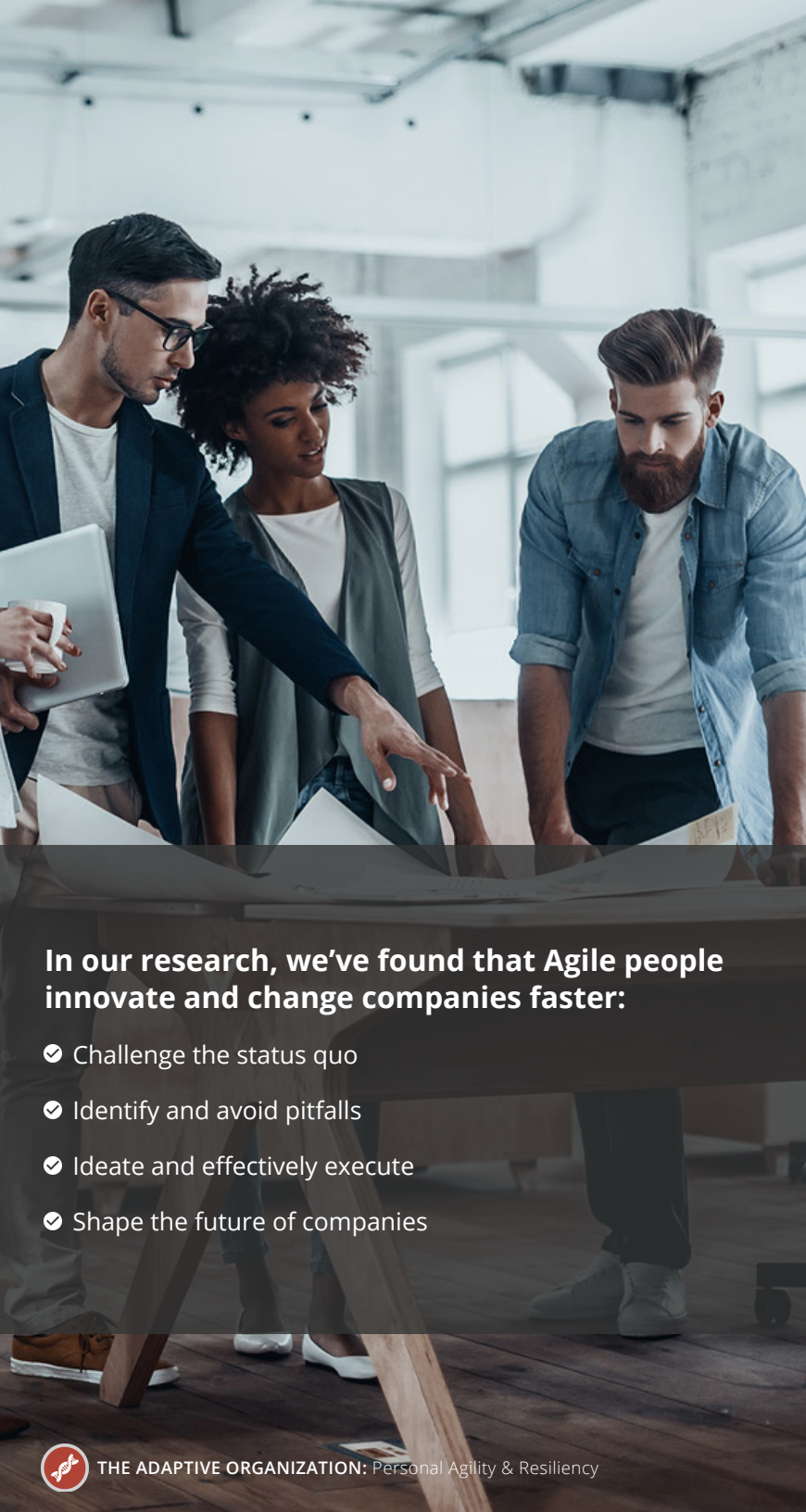## PERSONAL AGILITY + RESILIENCY = ADAPTIVE ORGANIZATIONS

Agility means more ideas are generated AND they are better evaluated, championed and implemented.

Resiliency allows us to deal with stress and change in a productive way.

In our research, we've found that Agile people innovate and change companies faster:

- ⊘ Challenge the status quo
- ⊘ Identify and avoid pitfalls
- ⊘ Ideate and effectively execute
- ⊘ Shape the future of companies

THE EDGE!

Effectively dealing with change is important. But creating positive change is even more so. Research shows that **employees who create change are 43% more effective than employees who merely respond to change**[4]. Importantly, employees' ideas do not have to be large. In fact, research suggests that the aggregation of small ideas at the individual level can be more beneficial to an organization compared to large ideas, which are highly visible and more easily replicated by competitors[5].

What is important to recognize is that while people have the potential to cause positive change, they are often held back by their mindset. We have all developed automatic, entrenched ways of thinking and perceiving the world[6]. While these mental habits are helpful in some ways, such as making routine choice, they impede innovative thinking. One longitudinal study conducted on kindergartners showed that 98% of them score at genius level in their ability to generate many solutions to problems. But over the course of time, this capacity dwindled such that, by age 10, only 30% score at genus level and by adulthood, only 2% score at genius level[7]. **As we age, our experiences strengthen particular neural pathways, we develop recurrent thought patterns and beliefs and lose mental flexibility.**

Consider some examples of how Agilty can can impact team success:

The concepts of social responsibility and corporate performance have become intertwined as a growing number of consumers want to buy from companies that demonstrate commitment and investment to the greater good. Organizations are looking for ways to change their processes and their connection with the customers of today and tomorrow. At BMW for example, every member of the Board of Directors also participates in the company's sustainability board.

Dozens of traditional retail segments have been overhauled through web-based sales over the last two decades. But despite numerous high-profile and well-funded entrants, grocery sales remain primarily a brick and mortar business. Amazon's recent purchase of Whole Foods is a bet that combining two companies known for culture and innovation will achieve success where WebVan, Peapod and others have failed.

As early as the 1980s, digital photography was threatening the traditional film market. Whereas Kodak shelved its own digital camera inventions, Fuji embraced the changing technology. They recognized the opportunity that was developing, simultaneously creating new products and using older products as a cash cow.

THE DIFFERENCE!

Effectively Dealing with a Turbulent World

People have deeply ingrained cognitive biases that hold us back from being as resilient as we could be. For instance, we suffer from a negativity bias, meaning we tend to see the glass as half empty. **Negative information is processed more quickly and has a stronger, more long-lasting impact on us compared to positive or neutral information.**

By learning techniques to overcome these biases, people can **alter their outlook and minimize negative responses**. They then can persevere through challenges that are bound to come. They adapt to stressors and change in a way that not only allows them to bounce back, but to grow from the experience. In other words, they bounce forward by finding opportunities in adversity.

In our research, we've found that Resilient people share several characteristics:

- ⊘ Believe they control their own future
- ⊘ See the world in a positive but realistic way
- ⊘ Maintain a sense of calm and focus in the face of stress
- ⊘ Have a strong social support network
- ⊘ Face stress rather than withdraw from it

Consider some examples of how Resiliency makes a difference at work:

- A company announces a spin-off that split their company in two, but won't take effect for six months. Employees are appropriately fearful of the uncertainty they face. Absenteeism increases and productivity slips. But leaders can apply Resiliency skills to help their people see the opportunities that also come with the change and prepare for the new post-divestment world.

- Salespeople consistently face rejection and are often evaluated based on short-term deal success. But Resilient salespeople learn from these challenges and adapt their behavior. They recognize how the selling cycle has changed with online information and become more consultative in their sales approach.

TRAINING MAKES AN IMPACT

The good news for creating an Adaptive Organization is that once people become aware of the biases they face, they can correct for them using specific strategies. Research indicates that Resiliency and Agility skills can be learned and acquired. TRACOM has developed specific assessments and courses to measure and improve the Resiliency and Personal Agility of individuals, leading to a more agile organization.

UNLOCKING PERSONAL AGILITY™

Unlocking Personal Agility is a comprehensive one-day course for understanding Personal Agility and techniques to enhance Agility at work. Participants learn what Agility is, why it is important, as well as what holds them back from being agile. Then, they spend the majority of the course learning strategies to upset their normal thinking habits and enhance Agility.

DEVELOPING A RESILIENT MINDSET™

TRACOM's one-day course to build Resiliency and high performance in a fast-paced world teaches people about the source of their stress, their response pattern to stress, and practical strategies for altering those responses. The program is based on decades of research on Resiliency as well as new and groundbreaking research in neuroscience.

THE MODELS OF ADAPTIVE BEHAVIOR CHANGE

ADAPTIVE MINDSET®
FOR AGILITY

ADAPTIVE MINDSET®
FOR RESILIENCY

The Idea Model™

INVESTIGATE: Looking for opportunities to improve current services, work processes, or products

DESIGN: Generating concepts that lead to improvement

ENERGIZE: Influencing others, building coalitions, and mobilizing support for new ideas

APPLY: Putting bold ideas into a practical plan, testing and modifying the plan, and making new ideas a regular part of the work process
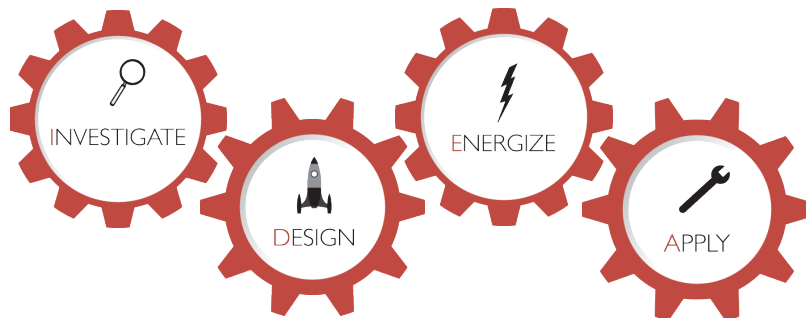
The Resilient Mindset Model™

The Resilient Mindset Model consists of three dimensions.

FILTER: How you filter information and interpret the world

ACT: How you handle changes

INTERACT: How you communicate and connect with others
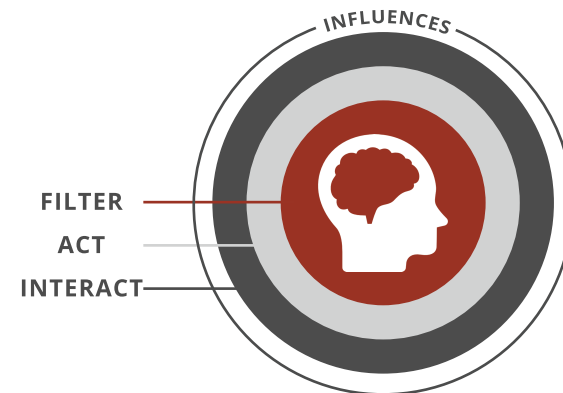
EXAMPLE INFLUENCES: Lack of time, deadlines, change, ambiguity, interruptions, demands

PUTTING AGILITY AND RESILIENCE TO WORK

These programs offer extensive opportunities for learners to practice, interact and receive feedback. One of the key elements of the programs is that they are made relevant to the learners' work. Throughout the day, learners choose strategies that most resonate with them, apply them to a work problem they can influence, develop a solution, and plan for implementation. The leave with an action plan specific to their own work and developmental needs. This action plan, along with learning aids, serves as the bridge to help them transfer their learning to the work context.

Participants receive and learn from the Adaptive Mindset for Agility Multi-rater Profile and the Adaptive Mindset for Resiliency Multi-rater Profile.

All of the strategies put forth in both of these programs have been shown to be effective in and are anchored in psychological research and theory.

In a business climate that is uncertain and constantly changing, organization agility is a strategic imperative. And it is achieved through people. **By developing their Personal Agility and Resiliency, TRACOM builds** *Agile Organizations.*
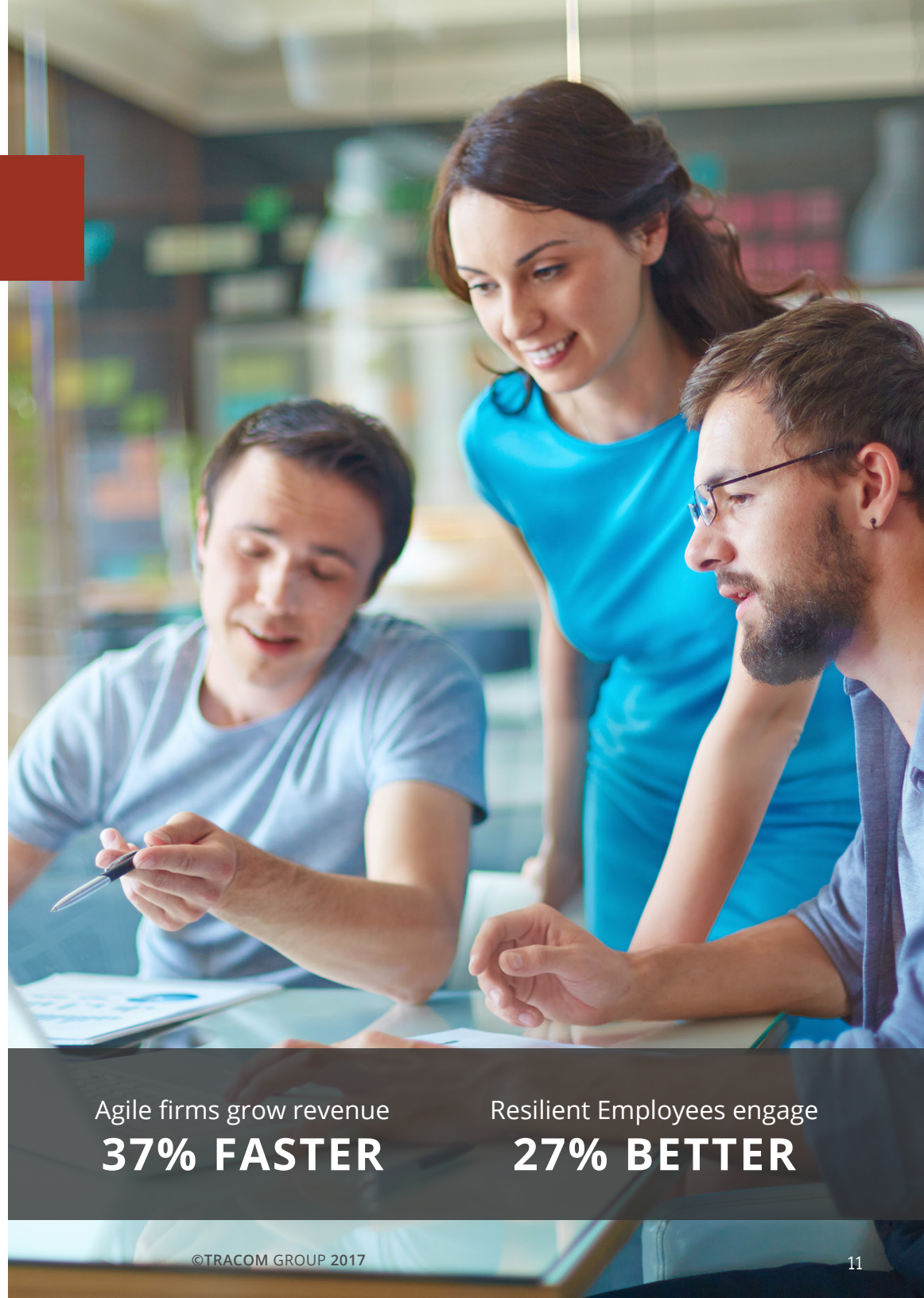
Agile firms grow revenue
37% FASTER

Resilient Employees engage
27% BETTER

ABOUT THE AUTHOR

David Collins is Executive Vice President of the TRACOM Group. He is a frequent speaker at leadership events. He's the author of numerous organizational perfomance articles and *The SOCIAL STYLE & Versatility Facilitator Handbook*. He was part of the team that developed TRACOM's Resiliency and Agility programs.

NOTES:

1: Economist Intelligence Unit. (2009). Organizational agility: How businesses can survive and thrive in turbulent times. The Economist. Retrieved from www.emc.com.

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ABOUT

TRACOM®GROUP

THE SOCIAL INTELLIGENCE COMPANY®

We provided the "AH HAs" to people as to how and why they act and interact with the world around them the way they do. We do this by teaching people about the core elements of an individual: their behavior, their emotions and their mindset and the impact these elements have on them each and every day. We call these core elements Social Intelligence. Most people are completely unaware of the impact that these elements have on them each and every day in how they interact with others and how they frame what is happening in the world around them.

For more information, visit WWW.TRACOMCORP.COM or call (303) 470-4900 — (800) 221-2321 (U.S. only)