TRACOM®GROUP

THE SOCIAL INTELLIGENCE COMPANY®

AGILITY AND RESILIENCE

BOTH ARE NECESSARY FOR CHANGE EFFECTIVENESS

THE NEED TO BE AGILE

The "need to be Agile" has become a rallying call for organizations everywhere, and for good reason. The pace of change has quickened dramatically and organizations worldwide have been disrupted by industry-altering change. Examples are everywhere, affecting businesses across all sectors. Global consumer brands are having to respond to threats from small startups that are encroaching on their markets.

Not only are companies being threatened by competitors, but automation and Artificial Intelligence present other disruptions to organizations and employees. A recent McKinsey study found that 30% of the most common activities in 60% of occupations could be automated by 2030,[1] while other research claims that 210 million jobs across 32 countries are at risk of being automated.[2] It is clear that regardless of industry, to stay competitive, organizations need to constantly be on the leading edge of change.

WHILE AGILITY IS IMPORTANT, IT'S ALSO STRESSFUL

Even though Agility is necessary as a competitive advantage, it still can be disruptive and stressful on employees. Consider a recent study of 471 North American companies, where researchers found that Agility is related to employee stress – the more Agile the company, the more personal stress employees experienced.[3] However, the good news is that those companies that had the foresight to develop higher levels of Agility and Resilience among their employees were more competitive and profitable than their peers, even in highly turbulent environments. The researchers concluded that organizations should develop both Agility and Resilience together, and that this should be done across multiple levels that include individuals, teams and leaders. In fact, the authors issue a stark warning on this topic: "Pursuing Agility without investing in Resiliency is risky because it creates frAgility – unsupported exposure to surprises and shocks."[4]

More recent research reaffirms this advice. A study conducted at Humana in 2017 as part of a large-scale change effort found that focusing on Agility without also developing Resilience can lead to increased stress and business results that fall short of expectations.[5] Like McCann and colleagues, the Humana researchers also advise organizations to develop Agility and Resilience together, claiming that while Resilience

"EMPLOYEES WHO INITIATE CHANGE HAVE A 43% MORE POSITIVE IMPACT ON THEIR COMPANIES THAN THOSE WHO JUST HAVE THE CAPACITY TO CHANGE."
— CORPORATE EXECUTIVE BOARD (CEB)

is important, it is even more important under conditions of high Agility and change: "Developing individual Agility and Resilience has the potential to complement current change management strategies to help organizations execute strategy and accelerate performance. Organizations that disrupt their environment without this capability may do so at their own risk."[6]

LEGACY CHANGE MODELS ARE INSUFFICIENT

One of the reasons why many organizations are not becoming Agile as quickly or effectively as they want is because they are relying solely on formal change models to help guide them through periods of massive transition and disruption. There are many change models, but one of the most well-known and utilized was developed by Kotter.[7] Change models are helpful for facilitating organizational change, but they were developed in a different era – Kotter's model was first presented in 1996 – when change happened more slowly, was incremental, and was governed by bureaucratic methods. In today's world, change is faster and often happens in large leaps. Therefore, change models by themselves are no longer sufficient to bring organizations the results they need. Even Kotter himself has written that his model by itself is inadequate in today's world, requiring instead the addition of a people-centric approach that develops large groups of employees who have the right mindset to create and adjust to change.[8] Notably, he mentions that organizations must appeal to their employees' emotions when undergoing change, not just explain the logic and rationale behind the change. This is reflective of a paradigm shift that has occurred in recent years around awareness of cognitive biases and the role that the emotional parts of the brain play in motivating people to understand and accept change.[9]

"THE CORPORATE PLAYBOOK IS BEING REWRITTEN AND REPLACED BY ONE THAT TAKES BUSINESS AGILITY TO A LEVEL WE HAVE NEVER SEEN BEFORE."
— LYNNE DOUGHTIE, U.S. CHAIRMAN & CEO, KPMG

Organizational research has confirmed the need to complement change models with more people-oriented approaches. IBM's "Making change work" study focused on how to close the gap between leaders expecting change and feeling prepared to successfully handle change. This gap increased from 8% to 22% in an eight-year span.[10] This study surveyed and interviewed more than 1,500 practitioners from 15 nations and 21 industries and found that just 41% of projects met objectives within time, budget, and quality constraints. The remaining 59% missed at least one objective or failed completely. A deeper analysis showed that the success of change efforts depended largely on people, not on process or technology.

ORGANIZATIONS ARE NOT KEEPING PACE

While it's clear that to meet their change goals organizations need to move beyond traditional change models, many organizations have not taken the next step to develop Agility AND Resilience. TRACOM's research has found that while 80% of senior leaders have asked their learning and development departments to implement an Agility program, only 47% have put a program in place, and most of those programs aren't even developing "Agility" but rather a proxy, such as innovation or the Agile process for information technology.[11]

Training employees on skills that lead to Resilience is also lagging. Research shows that only 22% of companies have a program in place to enhance Resilience while 63% recognize that they need a program but do not yet have a plan to train this need.[12] While neglecting to develop one of these skills is going to result in negative consequences, we now know that failing to develop both of them is just as consequential.

"A MINDSET CHANGE FREED THE COMPANY TO PURSUE CHANGE."
— MCDONALD'S AUSTRALIA

TRAINING WORKS

The good news is that Agility and Resilience are skills that can be learned and developed. To become Agile, individuals and teams need to recognize the common cognitive biases that prevent them from thinking creatively, developing unique and useful ideas, formulating plans and implementing those plans. The "shift" to becoming Agile happens with small behavioral changes, which disrupt old habits and results in new ways of thinking and doing.

Likewise, becoming resilient to the stress of disruption and change requires learning about peoples' innate tendency to interpret change as a threat. All people respond subconsciously in ways that limit their ability to move through change productively and with greater emotional ease. Similar to Agility, Resilience is developed through behavioral change strategies that disrupt negative, unhelpful thoughts and behaviors, replacing them with more useful and healthy thoughts and behaviors.

By developing Agility and Resilience in tandem, organizations are enhancing the chances that they will meet their goals and be competitive in the modern world.

"PURSUING AGILITY WITHOUT INVESTING IN RESILIENCY IS RISKY BECAUSE IT CREATES FRAGILITY — UNSUPPORTED EXPOSURE TO SURPRISES AND SHOCKS."

— MCCANN ET AL

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In his role as Senior Director of Learning and Development for TRACOM Group, Dr. Casey Mulqueen is responsible for leading the company and clients in developing and implementing learning solutions that reflect the latest science within the field of organizational psychology. To this end, Dr. Mulqueen has worked with companies across the world to develop more effective teams, sales processes and large-scale change models. He has developed custom programs and been a professional speaker for organizations such as Ernst & Young, PepsiCo, the Environmental Defense Fund, Reed Elsevier, and ExxonMobil.

Dr. Mulqueen earned his PhD at the Illinois Institute of Technology and has served as an adjunct faculty member in Colorado State University's Department of Psychology. He is a member of the American Psychological Association, the Society for Industrial & Organizational Psychology, and the International Association of Applied Psychology.

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ABOUT
TRACOM® GROUP
THE SOCIAL INTELLIGENCE COMPANY®

[WHY we do] We believe that improving peoples' understanding of themselves and others makes the world a better place.

[WHAT we do] We synthesize our discoveries into actionable learning and resources that improve an individual's performance in all parts of their lives. We call this Social Intelligence.

[HOW we do it] Through research and experience we uncover the hidden barriers to individuals achieving their maximum potential and identify how to help overcome them.

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