

Managing Change Through a Culture of Innovation



“Better a diamond with a flaw than a pebble without”– Confucius

A Collection of Articles by Roman 3 Operations

Introduction

This guide is a collection of articles intended to provide resources and support for those looking to improve the productivity of their workplace culture and create more resilient teams that can effectively manage change. In this booklet we will define the difference between a culture of complacency and a culture of innovation and provide strategies to managing change that will be successful in a culture of innovation.

What is Roman 3?

Roman 3 Operations, a division of Roman 3 Solutions Inc., specializes in human resources, workplace culture, and workforce solutions. We inspire organizations to invest in their teams and workplace culture to create a stronger workforce and labour market. We work with companies and associations to create a culture of innovation driven by confident leadership. We train and advise on progressive human resources strategies and support organizations and leaders to implement cultural shifts and change management. We don't want to help your employees past the time, we want to help them be productive.

Our focus is to build internal capacity. Our approach to professional development is People, Policies, Process. It is the people who are the most important element of any organization. By investing in building their capacity, they will shape the policies and the processes that will lead to growth.

How can we help you manage change?

To local governments, non-profits, and businesses there are two things that many people find intimidating; change management and innovation. Both can seem overwhelming and complicated, requiring significant cost, time, staff, and political alignment. For organizations implement these effectively they need help. That's where we come in.

We can help you create a cultural shift that will combat a culture of complacency and make your workplace more productive and innovative. We can also help you and your team facilitate change management toward new and collaborative initiatives.

Some of our tools and strategies:

D4: Our method to help your organization build a strategic framework.

STEEPLE: Our process to assess the factors, risks, and benefits of your current situation.

ASPECT: Our unique analysis tool, which we use to create actions and evaluations based on your strengths and potential.

Strategic Human Resource Blueprints: Our human resources strategies use a strength-base team approach and progressive policies and processes. People, Policies, Process.

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A Workplace Culture of Complacency?



It is human nature to look for order and comfort. There is a sense of harmony in predictable environments that ultimately lead us to what we all strive for – *Safety*. Feeling safe is really the ultimate goal. It is the natural by-product that comes from meaningful relationships, financial security, and continuous employment.

As with anything, too much of a good thing can cause problems. Accordingly, the comfort that comes from a sense of safety has its dark side too. The inherent problem that comes from too much comfort and predictability is that we become acclimatized to it; we become dependant on it and will go to great lengths to keep it, even to our own detriment. As individuals, this dependence on

comfort often manifests itself as complacency. We become complacent in our lives, stop pushing ourselves, and often abandon our ambitions in order to stay comfortable – *don't rock the boat*. In addition to the individual dangers that come with complacency, there is a much greater threat - working in a culture of complacency.

From an organizational and business perspective, the dangers of a culture of complacency can erode the very foundation of an organization's business plan, as well as ruin its employee base. In short, a culture of complacency can act as a cancer to an organization's current and future success.

What Does a Culture of Complacency Look Like?

There are many symptoms of complacency and they can reveal themselves in many ways. In his book *A Sense of Urgency*, John Kotter (2008) explains three ways in which these symptoms can manifest themselves.

- Low overall performance standards: often in organizations that have fallen asleep with the same people in leadership positions for more than a decade with little turnover.
- A lack of sufficient performance feedback from external sources: such as not really listening to customer complaints so that they do not realize that the products do not, or no longer, meet the needs of the client.
- A shoot-the-messenger, low candor, low confrontation culture: often found in businesses where influence does not go both ways.

A Forbes article titled: *10 Signs Your Employees Are Growing Complacent in Their Careers* highlights some additional ways in which symptoms can be seen.

- Employees stop asking questions
- People stop taking the initiative
- Everyone is playing it too safe
- No one is showing passion in their work

What is a Culture of Complacency?

The Elements of a Culture of Complacency can be summarized into 4 main components.

Comfortable and Traditional Methods

Phrases like: “This is how we have always done it” and “If it ain’t broke, don’t fix it” accurately summarize this element. People naturally default to the steps and processes that are familiar and routine because of the comfort that comes with them. There is also an unwillingness to break from tradition, an inherent fear of change, and a fear of failure that can cause an aggressive adherence to what is comfortable and familiar.

Rigid Thinking

In a Culture of Complacency there is often a lack of awareness of what is happening outside an individual’s normal environment, as well as a lack of outside perspective to the internal habits and practices of the organization. Naively looking at information, ideas, and opportunities as good or bad overlooks the inherent complexity of most situations. Rigidly looking at the extremes of things is a common symptom of a Culture of Complacency. If you only see things as black or white you miss the grey, which is where most of the world operates.

Finding the No

When approached with a new-found opportunity or new idea, many people’s first instinct is to find the quickest way to say no. This is one of the most prominent elements of a Culture of Complacency. When something outside the norm or comfortable flow is brought up there is a compulsion to find a way to delegitimize it or over complicate it, so that it fails. This is a problem-focused approach, where people put effort into finding problems and roadblocks to stop something that does not fit into their common practice. This is the opposite of a solution-focused approach, where individuals put effort into discovering solutions and adaptations in order to establish a way to make something work that is considered outside the common practice.

Unconfident and Low-Profile Leadership

Perhaps the most impactful element of a Culture of Complacency is unconfident and low-profile leadership that creates an expectation of mediocrity. In an environment where leadership is focused on a “don’t rock the boat” mentality it creates an environment where the other 3 elements of complacency are able to fester and grow. This type of leadership is most commonly a result of two major factors; apathy and inconsistency. When leaders do not inspire their teams and inspire in them a sense of confidence in their work, teams usually turn to safety in traditional and common practice. This is often the only way to survive. A leader’s job is to make their team feel safe; safe to ask questions, safe to bring new ideas, safe to take risks. Without this sense of safety (which we stated earlier is something we all strive for), a sense of complacency starts to grow in its place.

How to Identify a Culture of Complacency

The first thing for a person to consider when attempting to identify if they have a culture of complacency is to ask – *do you spend your days trying to be busy, or do you spend your time trying to be better?* Many people spend their entire career going into work every day, putting in a full day of work, and being very busy while they are at work. Nevertheless, they still live in a culture of complacency. Some of the questions for a person to ask in order to determine if they are in a Culture of Complacency include: Are you trying to be as busy as yesterday or better than yesterday? Is your goal to be in a predictable environment or a productive environment?

How to Combat a Culture of Complacency

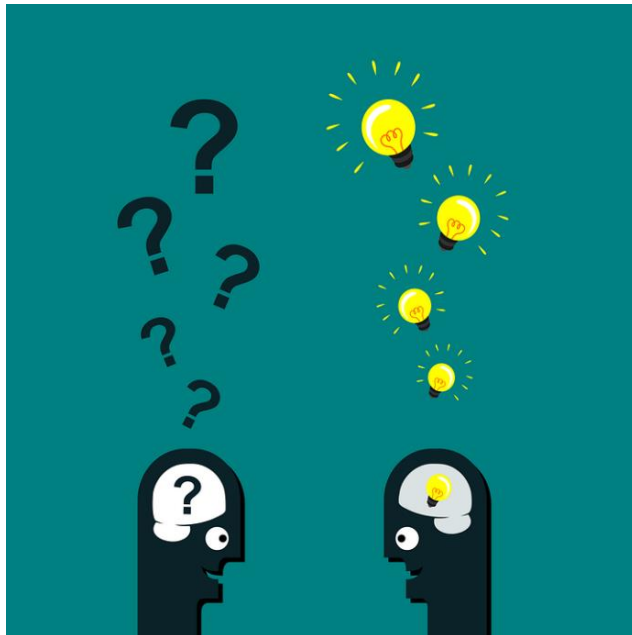
When endeavoring to challenge a Culture of Complacency, it can be tackled on two fronts: Individual and Organizational. When attempting to challenge it on an individual level, people need to first embrace the paradox of finding comfort in being uncomfortable. Look for challenge and personal/professional growth as where comfort can be found. The excitement that comes with being better every day needs to be what sustains individuals rather than the predictability of the job itself. When attempting to challenge Culture of Complacency on an organizational level, the first step is to institute a cultural shift toward a Culture of Innovation. This needs to start with leadership and it needs to happen both top-down and bottom-up.

The Takeaway

A Culture of Complacency is a very complex and layered concept. Its impact extends beyond the productivity of an organization and affects workplace safety, customer satisfaction, employee turnover, governance, and more. The negative impact it has on virtually every aspect of the workplace can be the breaking point of any organization.

It is important to be reflective of both your situation and that of your organization and to understand the warning signs and effects that a Culture of Complacency has on your professional life. It is important to take the time to ask yourself “Are you looking to protect your predictability or protect your productivity?”. It is also important to recognize that discomfort, innovation, and a willingness to take risks are the beginnings of both evolution and progress.

What is the Ideal Workplace Culture for Innovation?



People often think that new and ambitious ideas are great, necessary, and a worthy investment. The challenge is that position only seems to present itself after the fact. Innovation is something that many people get behind once it has been successful and they are often the same people that put up roadblocks when others were trying to innovate. Many times, the conversation that leads to a mission to innovate goes as follows: “We need to do something bold and new, but we can’t spend a lot of time and money on it. Also, make sure it works out of the gate, so we don’t look bad.” Sound familiar? This mentality often comes when there is a top down push to force innovation. All it accomplishes is to set people up for failure and is a great indication that any so-called innovation will fail.

There is (somewhat) logical sense to the scenario just described. It is a reflection of the environment that many people are in when they are trying to innovate or do something new. Often, people see innovation as a last chance. Their current plan is not sustainable, they need to find something new or else they will not be able to stay in business. This approach creates a ‘Hail Mary’ situation putting pressure on a team to be innovative in order to keep the lights on and this is not where a business wants to be. Real innovation is not something that is done best under the gun and on a tight timeline with little to no room for error. To be bold, evolve, and revolutionize the industry then a culture and environment that fosters innovation needs to be created, not one that demands it on a whim with no real support or margin for error.

Reward Ideas

There is a good TEDx talk by Barbara Corcoran about rethinking failure in which she talks about one of the things she does in her companies. She uses a portion of her operating budget to invest in innovation, to reward efforts and ideas, and to allow those creative minds she employs to have some resources to try out something new.

She states: “I dedicated 5% of all operating budgets at every office I ever opened as mad money, fun money. And their job was to spend it — to spend it before the year ended so that they could discover new things, and everybody spent that 5%. And with that 5%, we discovered so many new things. It would have never happened if it wasn’t pre-funded.”

A business leader of her caliber gets to where she is by pushing against convention, being bold, and taking the right kind of risks.

Let's Take a Hard Look at Failing

To follow in line with Barbara's TEDx Talk, there is a need to rethink what failing, and failure are and how they impact efforts and aspirations. To begin, people need to understand why failing does not make a person a failure. Failing is a sign of effort, a by-product of innovation and creativity. What makes a failure is giving up on the effort to be creative, of trying something new, and not learning from the inevitable missteps and mistakes that are made along the way. To successful innovators, failing is a regular Tuesday. It is the cost of doing business. So, people need to change their perception of failing and if they truly want to create an environment that truly supports innovation, they need to create a culture that embraces failing.

How to Create a Culture of Innovation

Step 1: Make failing part of the plan.

Just like Barbara, understand that taking bold leaps is the only way to make great gains. Dedicate resources, time, and effort into trying things that will most likely fail. From a budget standpoint, set a small "New Initiatives" budget that has no outcomes and can free up some resources. From a staffing perspective, assign a couple of hours a week to let staff meet, get their creative juices flowing, and work on their own ideas. These ideas, dollars, and efforts are likely to go nowhere but at the very least the failings will evoke new learning and allow staff to feel heard and supported.

Step 2: Mitigate the Risk.

There are some very useful methods to manage risk, including thinking critically to validate assumptions, looking for ways to get the most out of every step, and collaboration. Let's start with thinking critically. When people challenge their bias and assumptions, they can look to validate information they may not have scrutinized properly and could make crucial decisions based on faulty data. This is often where risk causes the most damage. Next is to create efficient use for actions, so that way if a mistake is made there are other ways that efforts can still meet assigned outcomes and are thus not wasted. Another method is to collaborate. Instead of needing to invest in equipment and develop expertise, look for strategic collaborations that can leverage the assets and knowledge of others to reduce potential risks.

Step 3: Unfinished is the new norm.

If people are going to be proud of their mistakes and their failings, then they need to create a mechanism that allows for people to shed the pieces that do not work and keep the ideas that do work. This is really a simple solution; embrace the concept of the Beta Test; have a working beta version that is promoted as unfinished and will be continuously updated and modified. Embrace beta testing, MVPs (Minimum Viable Products), and living documents. These allow individuals accomplish their tasks, while still being open to constant improvements and adjustments. Most bold and innovative solutions come gradually and over time, not right out of the gate. It is also valuable to use the advantage of interim leadership. There is a big difference between an Acting CEO and an Interim CEO. An Acting CEO is a placeholder, who is granted limited authority in order to keep the organization afloat until the permanent CEO returns or is officially replaced. An Interim CEO is a fully empowered executive brought in to create a change or direction or process. The Interim has a clock on them to make something happen and is intended to be around only as long as needed. This option creates an excellent framework to lead innovative change.

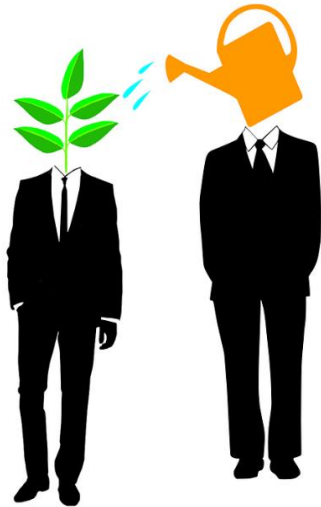
Step 4: Confident Leadership.

This is really the most important part. There is no way to create a culture that embraces the benefits of failing and fosters innovation without confident leadership. Someone has to stand up in front of shareholders, funders, and the press to justify why these actions were taken, why there are failings, and why these decisions were made. The leaders need to also manage the expectations of the staff, the stakeholders and the public to teach them what success looks like and keep everyone committed to innovation. If there is not someone willing to be held accountable for the struggles that come with innovation, then there is nobody qualified to take the credit for the accomplishments that come from innovation.

The Takeaway

Fear of failing, or not understanding the reality that failing is a part of learning and improving, makes innovation impossible. In an innovative culture that never settles with “good enough” and is constantly trying to improve itself people need to feel safe to take the risks needed to constantly be better. The latitude to experiment, tweak, revisit, challenge, and be creative needs to be present to create a culture that truly fosters innovation. Sometimes it can take finding 99 ways to not do something before finding the 1 innovative way to do it better than everyone else.

The Steps of Effective Change Management



Change Management has become a bit of a buzzword lately. Many people hear it and understand what it is conceptually, but do not really understand its importance, utility, or impact. Most people often think of it as simply organizational change; which is when there is a change in focus, process, or leadership. This is true; however, it is not the only way that managing change can make a difference. When an innovation is implemented; whether it is an innovate product, program, process, or approach, people need to realize that the side effect of doing something new is that they will not doing things the way they used to do them. By definition, the status quo is being abandoned, and this is often

one of the biggest barriers to the implementation of new and innovative ideas – people don't like change.

The Place to Start: Changing Minds

Instituting innovation and new approaches into an existing system will always create pushback. For many reasons and one of the hardest things about being progressive and having a vision is getting people to agree with the vision and creating enough influence to move the ideas forward. This creates the starting place from which people need to institute change – changing other people's minds. Generating buy-in to the concept and vision, convincing people to shed their narrow perspective, and accept the change in the concept phase. The first step to starting innovation is having a good sales plan – *why does old = okay and new = better?* What is key here is to create the buy-in by influence, not by power. Organizational change, for example, needs to come from influence at the top, it will fail if the change is ordered. Telling employees to change will never have the same impact as selling them on the benefits and positive impact of the change. The benefit of being the boss is that people look to them for leadership, so that their words naturally carry impact. This is why it is far better to gain influence than to gain power. With power, people HAVE to do what their boss says. With influence, people CHOOSE to do what their boss says. In human nature, people will always work harder if it is their choice.

Change Thinking

The next step to implementing innovative change is to adjust current thinking. Changing from a culture of complacency into a culture of innovation. The key is to create maximum utility in the efforts being put in while being to be open to trying new things. However, to move beyond those points when it comes to managing change people need to become comfortable with discomfort. Complacency is the kryptonite of innovation. Transition periods are often seen as a means to an end but when managing effective change. However, this creates an opportunity to create a new norm, the challenge of the improvements and excitement of the future impact could be as comfortable as the status quo used to be, and potentially become the new normal. Once this has been accomplished, the challenge becomes what motivates a person? Would people rather be better or be busy?

Changing Actions

Next, the new changes need to be incorporated into daily tasks. For this to happen with any chance of success, changing the way people think must come first. New processes, new roles, new teams, new partnerships, and new outcomes require internal buy-in to the vision and ambitious motivation. Actions need to be incorporated with patience, strong communication, collaboration, and transparency. There is a need to be patient with the unpolished nature of the process, have a willingness have an open dialogue between all levels and people involved, to look to share ideas and responsibilities, and to make sure that the accountability and the true purpose is clear and available to everyone. Openness is key here; open to mistakes, open to listening, open to sharing, and open to accessibility. Putting change management into action without transparency is setting it up to fail.

Change the Definition of Success

After all these steps have been done, it needs to be ensured that the impact of the innovative change can be measured, which means that the metrics or benchmarks for success need to reflect the change. This step is often forgotten and the ideas of success that are no longer valid or reflective of the new vision and innovation are still being used. If the measurement of success is out of date then the efforts do not add up to a triumph, they add up to disappointment. It is critical to define what success is and this needs to be considered at every step of the way. If the old definition of success was to make more money in the short term, and an organization went through innovative change (likely spending a fair amount of money), then the effort might be perceived as a waste of time and the old way of doing things should have just been maintained. But if the organization was looking to break into a new market, diversify its product line, and take a short-term loss of profit for a much larger long-term gain, then the innovation should be measured at those outcomes and the definitions of success, and the Key Performance Indicators (KPIs) need to reflect the new definition.

The Takeaway

Managing change is about understanding all of the elements that are required to implement the change. Creating buy-in from those affected by the change is really the most critical part. The tough part is when those who are pivotal to the implementation of change are resisting the buy-in because they are unwilling to change their thinking. This is when people need to look at their risk/reward ratio of committing resources to facilitate the change in thinking versus looking to replace them with those that will embrace the change. Again, that comes down to willingness to accept that risk is necessary for growth and that effective leadership is based on influence rather than power. A leader is needed, not just a boss, to inspire others to change minds, change thinking, change actions and change how success is defined. A strong leader with an innovative vision and open-minded teams, who are willing to buy in, is the only meaningful way to manage change and embrace innovation.

Final Thoughts on Managing Change Through a Culture of Innovation

Change Management is an incredibly complex and nuanced process. It requires commitment and looks very different depending on the organization and the specific change that is being implemented. What is consistent is the need for those involved to be informed, supported, transparent, and to have confident and committed leadership. When change happens in a culture of complacency it creates a massive amount of discomfort and stress in the workplace. People who define their professional lives by the comfort and routine that they have become accustomed to will instinctively fight the change to protect themselves. Change management within a culture of complacency is possible and does happen, quite often in fact. However, the experience is described by many who have undergone the process as having to drag other people through the change. The experience can take the form of high employee turnover as people look for safer environments, increased absenteeism as people take stress leave and mental health days, and a slower implementation of the change than expected. Sadly, this is the norm but, on the upside, it is also avoidable.

Shifting a workplace's culture toward a culture of innovation will create a new normal for the people within the workplace. They will no longer look to find safety and comfort in routine. Instead, they will find safety and comfort in their resilience and will thus begin to focus on the long-term success. They will become comfortable with being uncomfortable. In a culture that is focused on consistent improvement and utilizing constantly adjusting and unfinished forms and processes, people live in a constant state of change. In this kind of environment, it is not really about managing a change from a specific start to a set end date. Managing change will be about giving your already nimble and open workplace the long-term vision and creating their buy-in, supporting their already adaptable and solution focused thinking, designing new actions and processes to fit the long-term vision, and measuring the success of their efforts with effective and fair KPIs. A culture of innovation actually makes change management less of a conscious program, and more of an implementation strategy for new ideas.

It is essential that individuals start by looking honestly and bluntly at the environment in which they are a part of in order to move from a culture of complacency to a culture of innovation. They need to ask themselves the following questions: What parts of their current culture resemble a culture of complacency and what parts resemble a culture of innovation? Are some departments or divisions more innovative or complacent than others? Since leadership is the critical next step, what is the leadership impact of those departments or divisions? Do the environments that need the shift of culture have the right type of leadership in order to make that happen?

Consider the use of Interim Leadership when a shift needs to happen. If there is going to be a change of leadership, there are two different skill sets that are required. The first set of skills are those needed to create the shift and the second set are the skills needed to lead the new culture into the future. Therefore, instead of hiring a new leader, consider bringing in an interim manager to create the shift, someone with an expertise in the workplace culture and in human resources. Then once the new culture is in place, hire the subject expert with the skills to lead the team in the new culture into the future. If an organization were to lose their CFO, the new head of the finance department might not have the human resources skills to shift from a culture of complacency to a culture of innovation. But if they hire an Interim Finance Manager, one who is hired as a changemaker, the organization then has an IFO whose main deliverable is that of creating the cultural shift. Then once they have completed their task as a changemaker, they are

then able to help hire the new CFO, someone who can run a finance team within a culture of innovation. This way, two very different skill sets are being maximized.

Lastly, do not go on this journey alone. Confident Leadership is about knowing when to ask for help and when to collaborate. Talk to your peers, your mentors, hire outside expertise, and take advantage of training opportunities. This is a process and cannot be done in isolation.

You are always reinforcing a culture. Make sure it is the culture you've chosen.

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