SE Formicio Insights

On moving organisations beyond their default future



The theme of this bulletin is establishing conditions for success.

We've all worked on initiatives where we knew the conditions for success were not in place, but we continued to execute the plan in the hope and expectation that it would all come right – and yet it never did!

Experience over the years has taught me that the most powerful contribution leaders can make in any strategy or change initiative is not trying to come up with the answer or 'push' the organisation to success, but to create the conditions that allow others to succeed.

In this bulletin we give three different perspectives on establishing the conditions for success.

In our lead article we describe six conditions for success that we believe are necessary in all change situations.

In our featured article we share Judith Glaser's view that we need to learn how to use the part of our brain that is activated by human connection, thereby increasing our ability to trust and open ourselves to sharing.

Finally, we review Daniel Kahneman's book Thinking, Fast and Slow, in which he presents a model that describes decision-making as the interaction between two very different types of thinking.

The six core conditions for change success

The classic approach to creating an improved future goes something like this: first devise a strategy – ideally one with a compelling vision and audacious goals – then implement it through a change programme. Simple – if it were only so.

The reality is that only about 5% of large-scale change programmes are successful. Of greater concern is that all the evidence spanning the past 25 years indicates that our ability to deliver successful change has not improved: in fact it could be argued that it's actually getting worse.

Our explanation is that the classic approach to change is fundamentally flawed as it focuses on the wrong future – the future we hope to achieve rather than the one we're likely to get. As a result, leaders are often surprised and disappointed when their organisation doesn't respond in the way they hoped and continues on the same path as if nothing had happened. What they don't realise – or in many cases ignore – is that the destiny of their organisation is determined by a set of powerful forces that act as invisible 'rail tracks' taking it to its default future.

In our view the purpose of any change initiative – irrespective of whether it is delivered through the line organisation or a programme – is to change the trajectory of the organisation by putting down new 'tracks' that steer it to an improved future.

In order to change the trajectory a core set of conditions need to be established and maintained. If these are not in place the initiative will simply fail.

To read the full article where we describe the six core conditions for change success, click here.

Your brain is hooked on being right

Did you know that in situations of high stress, fear or distrust, the hormone and neurotransmitter cortisol floods the brain? As a result the executive functions of the brain that help advanced thought processes like strategy, trust building and compassion shut down.

In Judith Glaser's HBR <u>article</u> she explains that the impact of this chemical change results in us defaulting to one of four responses: fight (keep arguing the point), flight (revert to, and hide behind, group consensus), freeze (disengage from the argument by shutting up) or appease (be nice to your adversary by simply agreeing).

The most common and harmful of these responses is fight as it is by far the most damaging to work relationships. This is partly due to another neurochemical process. When we argue and win, our brain floods with different hormones: adrenaline and dopamine, which make you feel good, dominant, even invincible. It's a feeling we want to replicate.

As always, we welcome your feedback.

Best regards

<u>David Trafford</u>

About Formicio

We offer insights, capabilities and experience that will help you understand and improve your organisation's default future.

Specifically we can help:

Explore alternative futures.

Transform to an improved future.

Develop capabilities needed to 'pull' your organisation into an improved future.

More details can be found on our website.

Parting thought

"We're generally overconfident in our opinions and our impressions and judgments."

Daniel Kahneman, 1943– Israeli-American psychologist and Nobel Laureate, and author of *Thinking, Fast and Slow* Fortunately, there's another hormone that can feel just as good as adrenaline: oxytocin. It's activated by human connection and it opens up the networks in our executive brain, or prefrontal cortex, further increasing our ability to trust and open ourselves to sharing.

Judith argues that our goal as leaders should be to spur the production of oxytocin in ourselves and others, while avoiding those spikes of cortisol and adrenaline.

To read Judith's full article, click here.

Thinking, fast and slow

If you've ever questioned your decisions, or more likely wondered how others have formed theirs, then Daniel Kahneman's book *Thinking*, *Fast and Slow* will be a welcome read.

In his book the Nobel prize-winning professor of psychology sets out to give us a greater understanding of how we make judgements, draw conclusions and make decisions. He presents a model that describes decision-making as the interaction between two very different types of thinking, which he terms Systems 1 and 2. System 1 initiates the intuitive and emotional. It operates automatically and quickly, with little or no effort and no sense of voluntary control.

System 2, on the other hand, allocates attention to the effortful mental activities that demand it. The operations of System 2 are associated with the subjective experience of agency, choice and concentration. What we are not consciously aware of is that System 2 often allows System 1 to take over, thereby sacrificing accuracy and rationality for speed and energy conservation.

Kahneman argues that as human beings we are blind to our blindness and confident of the logic of our decisions even as we remain endlessly susceptible to arbitrary impressions and emotions.

The numerous illustrations and mental tests in the book are fascinating. They confront the limitations of our thinking and give insight into a wholly unfamiliar side of ourselves.

If after reading the book you question how you make decisions, then your time will have been well spent.

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