



CRF DIGITAL COMMUNITY EVENT

ORGANISATION DEVELOPMENT, CULTURE AND CHANGE

CRF's OD, Culture and Change Community met on 23rd June to discuss Nick Holley and Peter Blausten's framework for organisational analysis. These notes summarise the discussions of the session.



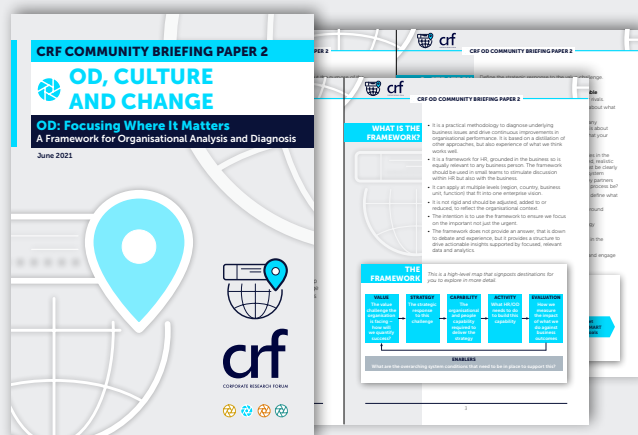
THE FRAMEWORK

HR should be capable of advising CEOs and their senior teams on strategic organisation capability, design and performance. However, this is not always the case. HR departments have not always understood their role in OD or had the holistic perspective that this framework promotes. Instead, they see their activities in a siloed and transactional way, which is a huge inhibitor to HR strategy and implementation. HR's low capability in this area has led to high expenditure on external consultants, often to the detriment of the long-term development of the HR function.

The framework enables HR to develop a credible point of view rooted in a strong understanding of the dynamics of their organisation's business model and provide insightful analysis to drive systemic change.

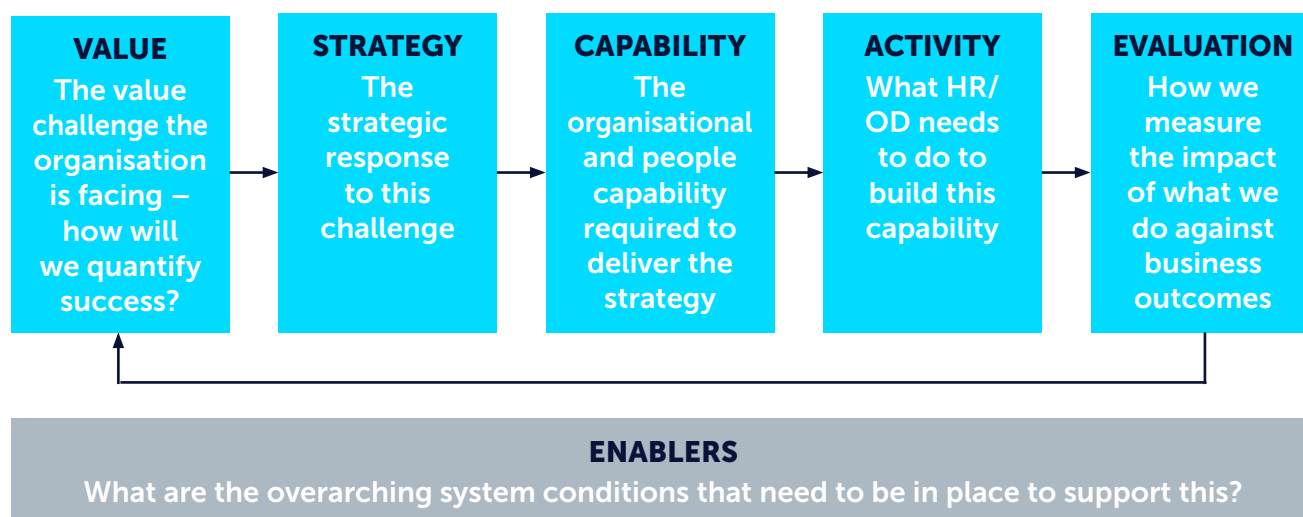
The need for change can be prompted by sudden needs such as a new CEO prompting a new agenda, incremental poor performance, M&A activity, or the rise of activist shareholders. It can also be prompted by external pressures such as the implications of the coronavirus pandemic, Brexit, tariffs, sanctions or legislation, environmental issues,

OD: Focusing Where It Matters Briefing Paper



THE FRAMEWORK

This is a high-level map that signposts destinations for you to explore in more detail.





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or disruptive competitors or technologies. Two of the most powerful forces currently pushing companies to assess how they face the future are digital disruption, and the shift in value from goods to services.

The framework is an important reminder that HR needs to be business orientated and capability focused. It is action orientated and designed to make sure all stakeholders play their full part, and that HR understands its role in facilitating this.

VALUE HR must start its thinking by asking how it can support sustainable value creation for all its organisation's stakeholders. Where is the organisation going, and how will it know when it gets there? A common shared answer ensures alignment and focus. One of the roles of HR is to define this in the context of the external world, shedding light on stakeholder demands, mega trends and disruptors, and the changing market.

STRATEGY Once we have the value challenge, what is the strategy of the organisation that is going to differentiate it in the market, and drive the products and services that it is going to deliver? These need to be translated into must win battles for the short, medium and long term and into quantified, realistic plans with team and individual goals. HR should cover the roles of implementer, subject matter expert, facilitator and full contributor.

CAPABILITY HR's core role is to define and deliver the organisational and people capabilities that are critical to the delivery of the strategy. There are two types of capability: enabling capabilities (without which we cannot function, such as finance and purchasing) and differentiating capabilities (a source of competitive advantage that is difficult to copy or learn). We propose a simple three-part organisational model for HR people which centres on three capability groups: People, Processes and Performance Culture.

ACTIVITY Armed with capabilities, HR needs to then prioritise what it needs to do to build these. Define the current state of the capabilities and what will be required to fill any gaps. Then assess the availability of these capabilities in the external market, and the cost of acquisition. Use [CRF's Strategic Workforce Planning model](#) to devise a capability strategy which may involve options such as recruiting talent or acquiring teams and organisation, developing capability internally, retaining key technical talent through effective motivation and engagement, or exiting people or capabilities that are no longer required. (Read our full [2021 report on Strategic Workforce Planning](#) for further insight).

EVALUATION We must make sure that we are evaluating the right things – it's not just about process completion. Evaluate against business outcomes and use this to drive continuous organisational learning and improvement.

ENABLERS Throughout this process we need to be cognisant of several underlying themes and systems conditions – change management and applying emergent and agile techniques, communication to engage all stakeholders at every level, rigorous data to underpin our analysis, and using influence and understanding power dynamics to ensure alignment with key stakeholders.

HOW IMPORTANT IS IT TO HAVE A WRITTEN PLAN?

- It creates discipline in thinking, providing a degree of rigour and structure, and means actions are not decided on impulse.
- A plan can prevent drift within a change process, and is a useful tool in effective evaluation.
- A written plan provides clarity between those involved and avoids misunderstanding on objectives and responsibilities.
- When a plan becomes rigid it will work against the change process, becoming a laborious administrative task. Delivering the plan then becomes the main driver rather than value creation and strategy.
- A written plan is useful internally for the OD function, but be cautious in how you present this to the wider business and leaders. Beware of the audience and the language and framework you are using.
- It needs to be balanced with an emergent approach and flexible enough to reflect changes in thinking throughout the process. Avoid detailed planning beyond the first point where feedback will emerge and allow those closest to the change to develop the detail. You will gain better control by responding flexibly to what is happening, than by planning every detail in advance.
- A written plan is important to have discipline and clarity, but the dialogue in its creation and alignment is what's truly valuable.
- As former US president Dwight Eisenhower famously said: "Plans are nothing; planning everything."



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BARRIERS TO IMPLEMENTING THE FRAMEWORK

BARRIER:

Balancing the need for quality data to inform change programmes with the pace that leaders want change implemented. This is due to time pressure from leaders, meaning OD doesn't have sufficient time to gather and analyse data in a way that produces systemic solutions. HR is brought to the table at the stage at which leaders have already formulated an opinion on the action they wish to take and are ready to operationalise it at speed.

SOLUTION SUGGESTIONS:

OD and HR needs to involve itself in business and change conversations before there is a clear people element. In this way they can influence the conversations around change by undertaking the analysis and presenting it to leaders before they start their thought process. This will facilitate a more informed conversation. The trick is spotting when change is needed to be made and then working at the speed and sophistication that leaders require, whilst bringing in different perspectives throughout the process.

BARRIER:

Issues caused by the personality of the CEO or business leaders.

SOLUTION SUGGESTIONS:

Put the business leader at the centre of the change programme and change discussions. If the leader isn't driving the process, then it will lose momentum and fail. Seek to understand the underlying issues when faced with a personality and ideology clash.

OD and HR should help leaders shape their leadership team agenda in a way that helps them reach solutions for themselves, and pull on expertise from other colleagues during these sessions rather than pushing solutions.

OD serves the organisation and not line managers, and practitioners need to have the confidence to push back and challenge, armed with the right evidence.

BARRIER:

Difficulties in gathering data and having the right data to create a narrative that influences change.

SOLUTION SUGGESTIONS:

An emergent approach is important when balancing the pace of change with gathering good data. Being able to develop hypotheses as you work, and testing these throughout the process.

BARRIER:

Leaders and colleagues not having the 'headspace' to deal with holistic change programmes.

SOLUTION SUGGESTIONS:

Leaders need to understand that they must have this headspace. Put leaders in contact with other colleagues who have been through a similar experience, to get their advice on the process. Often the role of HR or OD is seen as a specialist and not a genuine partner so leverage a different level of influence by offering the opportunity to connect with other colleagues who have experienced similar processes first hand. It is also important to obtain top management sponsorship for this approach to change – to influence the culture within the business.

BARRIER:

Lack of awareness amongst senior leadership teams about management thinking and frameworks.

SOLUTION SUGGESTIONS:

HR has a role to play in educating leaders and introducing concepts in a bitesize way that links directly to commercial value. This should be a gradual process and integrated as part of the business – demonstrating the implications of a concept on business dynamics and performance. Don't get caught up in 'HR speak', make sure it's rooted in business language and demonstrates business outcomes.



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FURTHER READING

CRF. 2021. **OD, Culture and Change: A Framework for Analysis and Diagnosis.** Briefing Paper. <https://www.crforum.co.uk/research-and-resources/od-community-framework-for-analysis-and-diagnosis>

CRF 2021. **OD Symposium: Improving Agility, Learning and Action.** Post Meeting Notes. <https://www.crforum.co.uk/research-and-resources/post-meeting-notes-od-symposium-improving-agility-learning-and-action>

CRF. 2021. **Strategic Workforce Planning – Unlocking Future Capabilities to Drive Business Success.** Speed Read. <https://www.crforum.co.uk/research-and-resources/strategic-workforce-planning-unlocking-future-capabilities-to-drive-business-success>

Peakon. **Enabling Distributed Decision-Making Through Intelligent Listening.** Webinar. <https://peakon.wistia.com/medias/3s3v2r4n8p>

crf SAVE THE DATE



*The next session of the **Organisation Development, Culture and Change Community:***

Thursday 7 October at 12.00 BST



crflearning ON DEMAND

Become a master in managing performance with CRF Learning's latest On Demand programme:

Creating a High-Performance Culture. Gain the tools to improve organisational performance and learn how to demonstrate your contribution in providing the catalyst for this change. Hear from top HR Directors on how they define and develop performance culture and embed your learning with interactive exercises and activities throughout the course.