

The Enemy

Within

Recent findings have highlighted direct links between sensory and emotional experience and structural changes within the brain. David Bovis explores what this means for our understanding of cultural change.



Here is an opportunity to consider the relationship between organisational change and the human condition, in more detail than ever before; we can now contemplate the people process with the same attention to detail historically reserved for 6 sigma and similar best practice methods in pursuit of ROI and EBITDA improvements.

These new discoveries are being hailed as a breakthrough in how to approach education and mental health, but we can't afford to allow them to become exclusive to those disciplines. The impact of modern neuroscience and psychology on our approach to Change, the transformation of culture and the related success of organisations cannot be underestimated.

People subconsciously oppose change ... naturally

Def: Neurogenesis; *The production of entirely new neurons, created by cells with stem cell like properties.*

Organisational change is widely acknowledged to present a challenging experience to all individuals involved, both change leaders and frontline employees. It can also be considered a stressful experience.

In relation to neurogenesis, the distinction between the two terms, 'challenging and stressful', takes on extra meaning for those leading change as research has shown that the two have some clearly defined and directly opposing outcomes.

Challenging conditions: can be considered as those that stimulate the release of hormones associated to pleasure and satisfaction, like serotonin. These hormones relate to feelings of personal satisfaction and have been shown to increase the level of neural growth in the brain.

Stressful conditions: can be considered as conditions that stimulate the release of hormones associated to fear and negativity such as, hydrocortisone. These hormones reduce the rate of neural growth but also have a compound effect as a functional element of the body's 'fight or flight' response and defence mechanism.

Both of the above neural and hormonal relationships have important implications for individual performance in the workplace. Change Managers who fail to recognise these underlying connections and subsequent behavioural reactions run the risk of inadvertently creating the poor performance associated with resistance to change.

Psychological studies into challenge and stress typically focus on the effects of 'trauma' or sporadic and severe experience. However, in the arena of organisational change we must also consider the impact of stress that occurs chronically and habitually and so better understand root cause and effect relationships between people and process.

Subconscious defensive reactions to stressful experience, like opposition and blame, can be triggered by our experience of others or systems which we perceive as arbitrary judgement mechanisms. We react to how we are judged, and such experience forms new neural-nets, beliefs and values.

Under stress, chemicals in the brain change and people tend to lose confidence in their actions. They are cautious because of their innate fears of failure and rejection, which are formed during development years and triggered when negative judgements are perceived in the present. Under stress people are at higher risk of making simple errors. They are also likely to oppose anything new that provokes discomfort.

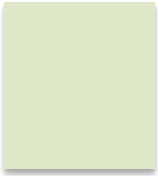
It is widely accepted that engagement with people is critical to the success of organisational change but very few have taken the time to look more closely or scientifically at the nuances of what this means.

These points make it more critical than ever that change leaders understand the importance of making organisational transformation a challenging, but not a stressful experience. The difference will have direct implications for the success and sustainability of change objectives.

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Changing processes or changing minds;

Perceptions, opinions, behaviours and personal performance are linked directly to our experience and **vice versa**.



'Neurogenesis' was originally identified in smaller mammals, but has more recently been identified in adult humans. It is the process by which new neurons form in relation to our experience of people and environment. The new neurons migrate relatively small distances and embed themselves into the existing neural network, replacing older cells. This ensures brain mass remains largely constant and allows our neural construct, from which we act and react, to reflect our most recent experiences of the world.

This provides evidence that we can and do 'change our minds' – literally! Furthermore it shows that if we are aware of the neurogenesis process, we can influence the way this change occurs, both in our own minds and in the minds of others.

Taking this into account in relation to change management means that we must challenge our traditional views about leadership and who is responsible for effecting change.

The rate of change

Your brain and mine, continuously regenerates relative to our emotional environmental experience. Studies on animals have identified that regeneration occurs in particular regions of the brain at a rate of approximately 12% per month relative to a consistent change of experience. These regenerations, primarily in the hippocampus (the area of the brain responsible for memory and thus fear regulation in relationship with the Amygdala) will either change or consolidate neural structures relative to the exposure to altered sensory stimulus. Initial indications show that there is no difference between the animal and human brain.

Why is this relevant? In situations that fail to provide consistent change, via exposure to external or internal experience, we see our current neural structures strengthened and reconfirmed, making them harder to change at a rate of approximately 12% per month.

Systematically pursuing physical and tangible change in our organisations, from which it is assumed people will establish different or lean thinking; can systematically and subconsciously trigger thoughts and related responses in opposition to desired organisational outcomes. By forcing change that subconsciously reconfirms and reinforces our internal view of the world, we can inadvertently strengthen opposition and actually build delay into the change process. In other words, trying to speed things up logically, we often slow things down emotionally.

It is with the information coming from scientific studies as discussed here, that we can start to consider the root cause issues that underpin the changes we pursue in business. In doing so we dramatically improve the levels of acceptance, speed and the sustainability in our transformation programmes. We can remove resistance to change.

Let's describe this with a more familiar set of words.

Where we use this quality of information to understand the people process, we can understand what strategic actions improve the experience of personal change, in the context of organisational objectives.

Being focused only on the logic of change (tools implementation) is to be focused on only half the opportunity for effectiveness. This claim is verified by statistics from a wide range of research and reports which consistently show that over the last 30-40 years, we have been able to do relatively little to address failure rates in organisational change programmes of around 75%.

Here are a few of the most recent reports to highlight failure rates in organisational change and the reasons why failure persists.

Major corporate investments are abandoned within six months, **80% of the time**
- Gartner Group 2002

Most change programs fail, but the odds of success can be greatly improved by taking into account counterintuitive insights about how employees interpret their environment and choose to act
- McKinsey 'The irrational side of management' 2009

The greatest barrier to successful integration is cultural incompatibility. Undervaluing or ignoring the human dynamics related to an M&A transaction can prompt the departure of key talent... among the assets that made the

acquisition attractive.

- Author of 'Done Deal' Beth Page 2006

Post-M&A **organisational cultural change** is a traumatic experience for organisational members. It generates **resistance** and contributes to M&A failure.
- Manchester Business School 2007

A study of 100 companies with failed or troubled mergers, 85% of the executives polled said that **differences in management style and practices were the major problem.**
- Coopers & Lybrand 1992

Conclusion

We are all leaders whether we want the responsibility or not and some organisations are now starting to reassess internal hierarchies to reflect this.

We might say the biggest barrier to change, in many ways, is the brain itself. However, in understanding this, we also unlock the potential to see the brain (as well as people culture and experience) as the greatest opportunity to achieve change.

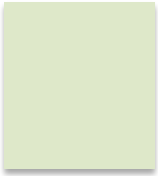
Recognising this new understanding of the human relationship with change, requires us, as a first step, to reconsider the way in which desired outcomes for organisational change are expressed.

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Using lean terminology:

Understanding this, change managers will be able to focus on the reduction and removal of the 7 wastes from the process of change itself. If our approach to change in business remains unconscious of considerations around neuroscience and psychology, there is a very real risk that we will continue to stimulate subconscious opposition to the change we pursue.

For those, like myself, who truly believe in the principles of waste elimination and maximising value adding ratio's, it will be obvious that ignoring change at this level is a self-generated delay! Having to rectify the scrap and rework of a process that produces a 75% defect rate is over-processing in the extreme, and pursuing a process that reduces the capability to change, is akin to overproduction; the premier waste identified by Taiichi Ohno.



“The greatest Waste is the waste we do not see.” Shigeo Shingo

This hidden waste is not only process waste, but is also the waste created by the attitudes in people which we generate through the measures, targets and rewards popularised in control-systems that fail to consider psychology. Margaret Heffernan has addressed a cultural resistance to considering psychology within organisational change in her book *Wilful Blindness* which was released at the beginning of this year.

This is the change challenge for the market of change itself and it will require a big dose of ‘practising what we preach’ from change leaders everywhere. Starting with the man in the mirror can be one of the biggest stress triggers of them all.

Changing the self for the benefit of others has been the task facing mankind for millennia and it is at root of all that Kaizen originally stood for. There is little wonder that organisations so often fail to fully appreciate this nuance within the rewards driven culture of the western world.

However, highlighting the benefits in performance that can be obtained by taking a broader view, including the views touched on here and the wider complexities of psychology, can help us take the first steps on a stronger continuous improvement journey. We **can** understand neurogenesis, negative emotions and what provokes them. We **can** understand with more consistency and rigour what can be done strategically and practically to reduce those aspects of change which are not conducive to desired outcomes and we **can** understand how and what promotes engagement, ownership and empowerment at a neural level.

This new science has the potential to get Lean Management / Leadership working with the same spirit that sits at the core of kaizen. Where changes start from the inside and culture transformation is not only accepted, it is pursued and welcomed by all. **END**



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