Corporations hitting the TRANSFORMATION track!

There's a new buzzword at top of the corporate agenda today: Transformation.

To be clear, 'transformation' is more than 'change' for it involves challenging the traditional ways organizations work.   In recognition of this, companies often nominate a line executive to explicitly assume responsibility for a transformation, often with a job title like "director of transformation." Alternatively, they may assign responsibility for a transformation initiative to senior managers in their HR departments.

But however they implement a transformation, few companies ever make explicit what they mean by the term. And that seems somewhat perverse at a time when they are preparing to abandon practices that in many cases have delivered successful performance for years or even decades.

My observations suggest that transformation initiatives fall into three very different categories. For some industries – insurance, for example, transformation is about adapting to the digital revolution, which requires a complete redesign of the products and services offered to the customer and therefore the rapid learning of new skills.

For other industries, transformation is about simplifying the organization. In many companies, confidence in processes and ever more complicated control systems has eroded, and staff are quietly but effectively working to undermine what they increasingly see as unworkable bureaucracy.

The third category is transformations that seek to focus the company organization more squarely on the customer. This is less new than the other kinds of transformation but customer focus is being taken more seriously today than in the past, when it seemed to be more of an aspiration than an organizational reality.   The public sector seems to be particularly attentive to customer focus transformations today, as civil servants and other functionaries reflect on a managerial response to ever growing citizen demands.

Transformation initiatives are not something to be afraid of because they represent opportunities for managers to change and adapt to a changing world. But that doesn't mean the task is easy. It never has been. You only have to think back to the 1960s and 1970s, when SAS's charismatic leader, Jan Carlzon, introduced "autonomous work groups" and the "inverted pyramid" models.   The fallout from the first oil crisis quickly brought an end to these attempts to humanize the workplace.

Today, another risk looms: without reflecting on what they actually need to transform, executives will be easily tempted to adopt silver bullet solutions instead of embarking on and mastering a transformation process that is grounded on the real issues that the company faces.

And there are a lot of silver bullets on offer: Holacracy, the Free Company, Corporate Reinvention, to name just a few of the buzzwords appearing in today's management literature. To be sure, they all come with proof of concept, though it is intriguing that they

often cite in evidence the exact same case studies, typically of small and medium sized businesses.

The first problem with these silver bullets is that is that the solution they offer are supposed to apply regardless of the context. Their authors – and consequently their readers – simply do not address the question of properly identifying problems before exploring solutions. Why bother, when the solution is a universal one?

Moreover, the scientific basis of this work is more than questionable: Maslow and his hierarchy of needs often seems to be the only reference to academic work in the sociological field - there is certainly very little attempt to build on the output of modern organizational sociologists. As a result, whole areas of real corporate and organizational life are neglected: issues around systems, strategic behaviours, power relations, and so on are often forgotten (or ignored) in favour of psychologizing visions, and idealistic, even naïve beliefs in the value of collective action.

This is not a good way to go about transformation. Transformation requires patient and and disciplined analysis of evolving realities. Insights must be anchored in an understanding of what levers can and should be applied. Transformation demands a full commitment of "the" leader – without this commitment, the managers implementing the transformation will lack legitimacy to make the changes they need to make.

The bottom line?   No matter how attractive the fix-all solutions peddled by so-called management experts might look, the reality is that their simplicity not to say simplism usually carries a heavy cost – both human and financial.

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