



Blueprint for

ACQUIL



A change-ready culture is table stakes for thriving in today's global economy.

BY SARAH FISTER GALE

Organizational agility—that is what 92 percent of senior executives say is needed to deal with a world full of digital innovations and shifting customer demands, according to a *Forbes Insights* survey conducted last year. Companies have to be ready to turn on a dime, but agility does not happen in a vacuum. The ability to change stems from a willingness to change, which flows from a change-ready culture and helps organizations move beyond the status quo. Change cultures are not built by creating a change management task force—it needs to run much deeper than that. “Change readiness has to be embedded in your DNA,” says Sorabh Saxena, president of business operations at AT&T in Dallas, Texas, USA. “It’s the only way to get from where we are today to where we want to be.”

Huge Payoffs

A core part of building a change-ready culture is inclusivity: encouraging everyone to share ideas and look for ways to improve. But that is just the beginning, says James Barrett, vice president and chief innovation officer at Turner Construction, one of the largest construction firms in the United States with about \$11 billion in annual revenue. “You can talk all day about how you want to be innovative, but unless you have tangible processes and tools built into the way you do business, it’s not going to happen,” he says.

When Turner launched in 1902, it was one of the first firms to use steel-reinforced concrete as a regular building material. The company continued to evolve as it grew, implementing new materials, design strategies and technology to improve speed and quality while reducing cost. “We have always challenged ourselves to stay at the forefront of innovation,” Mr. Barrett says.

From early on, the company had a culture that encouraged employees to look for better ways to get the job done. But until recently, there was no formal infrastructure to support that culture. Building that infrastructure is now Mr. Barrett’s top priority.



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He is creating systems that allow any of the company’s 9,000 employees to share their ideas and get the support, training and resources to make them happen. Doing this requires a multipronged approach. Mr. Barrett is implementing a series of programs that create more opportunities for innovation, thereby communicating the company’s commitment to ideas proposed by employees. The programs include an annual innovation award in which employees from across the company submit ideas; winners receive cash and resources to support implementing them. He also launched an online innovation hub where employees can post ideas for change and comment on other ideas as a way for the best solutions to bubble up. Mr. Barrett and other executives monitor the hub, looking for solutions that might address key business challenges and noting which ideas get the most traction.

Every March, Turner hosts an innovation summit for employees, which includes workshops for how to turn big ideas into real-world solutions. Speakers hailing from the U.S. National Aeronautics and Space Administration, Google and other innovative organizations attend. Employees have to apply to go, and 250 are chosen. “It’s a way to self-select for the most ambitious thinkers,” Mr. Barrett says.

These programs are starting to deliver results. A 2017 summit participant was a construction manager who likes to tinker with virtual reality (VR). After the summit, he came up with an idea to use a VR headset to help customers visualize the flow of their building while it was still a computer model. “We saw the idea’s potential, and a month lat-

er, we implemented it,” Mr. Barrett says.

The first client to use the VR system was building a health care center in New York City. It invited doctors, nurses and support staff to roam virtual halls and provide feedback on the design. “We ended up making dozens of small changes in where things were located that we normally wouldn’t have found until after we built the space,” Mr. Barrett says. That saved the customer and the project several hundred thousand dollars. “We invested \$50,000 in the innovation, and the payoff was huge.”

The Right Kind of Change

Not every idea is worthy of investment. Mr. Barrett emphasizes the importance of balancing the need to change the business with the need to run the business.

“There has to be a link to the business for a change to make sense,” he says, adding that this is one of the hardest parts about creating a change-ready culture. “We have to redirect people all the time. These are tough conversations, and we have to do a better job of sending that message. We don’t want to crush their passion.”

To promote business-focused thinking, Mr. Barrett made the theme of last year’s summit “Love the problem, not the solution.” Next year, he plans to create categories for the innovation awards that tie to business goals, such as improved customer satisfaction and saving time. He also is providing training to executives and managers on how to support the right kinds of innovation, such as lean practices and the value of prototypes and testing.

While change-readiness is a frame of mind, implementing actual change is a business activity, Mr. Barrett says. By helping leaders see

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that, he hopes it will change the way they engage their own teams. “It’s less about generating enthusiasm and more about guiding it.”

It is important to remember that defining the culture and enacting it are two different things, Mr. Saxena says. Every department needs to be part of the innovation ecosystem for an idea to become a commercial reality, he says. That means every employee and manager has to embrace the notion that change is an important part of the business process.

To get there, there is no substitute for a clear vision demonstrated from the top of an organization. “An executive must convey a vision of what the end goal culture looks like and repeat the message continuously. But beyond that, he or she must live it daily,” he says.

At the same time, any leader serious about culture change has to create a team of advocates lower on the org chart. “Advocates for culture are hugely important,” Mr. Saxena says. “Begin early by finding advocates in your teams to help encourage a change-ready culture and ensure a smoother and more meaningful transition.”

But there still are people loath to embrace change. “That can be the biggest obstacle,” Mr. Saxena says.

To push people beyond their comfort zone and the status quo, he urges managers and leaders to frame the need for innovation with the audience in mind—the customers who stand to benefit from new products and services. “We have to make these innovations their successes, not ours,” he says. Employees also need to see what is in it for them. “If a willingness to innovate is part of your end-of-year review, that can be very motivating.”

The bottom line: People resist change for

The Case for Change-Readiness

Almost all executives say organizational agility is mandatory. But while the payoffs can be substantial, far fewer than half of executives believe their company is highly agile.



Source: *Achieving Greater Agility: The Essential Influence of the C-Suite*, Forbes Insight/Project Management Institute, 2017

a lot of reasons, but if business leaders set expectations, model behavior and celebrate those who embrace the culture, even the most immutable employees eventually will be ready for change. In the end, changing an organization’s culture is a multi-year and collaborative process, and, like any other collaboration, success depends on mutual trust and transparency. While advocates outside of the C-suite matter, executives should be comfortable getting into the trenches to impress upon employees the importance of change-readiness and speed, Mr. Saxena says.

“In my experience, leading and facilitating open and transparent conversations with AT&T employees has been critical in building out a change-ready culture. It is leaders’ responsibility to have open and transparent dialogue.” **IQ**



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