

Humanizing Strategy

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How to Master Emotions,
Values and Beliefs
When You Execute Plans

Lannoo
Campus

*To all who inspired me,
and all I wish to inspire*

Embracing human dynamics: an essential for leaders

We are on the cusp of a global change that demands that leaders develop new perspectives, new skills and new ways to effectively navigate their organization through this change. Marshall Goldsmith's concept of **'what got you here won't get you there'** is now an accepted reality. However, the way leaders engage with this 'new reality' and integrate this within their executive team as well as their entire organization is another matter.

The research and teaching as well as the interaction with thousands of executives that I have had the pleasure of teaching over the 25 years at INSEAD, MIT and ISB (India School of Business) have continuously reinforced the importance of the leader's personal and professional journey. As a graduate of the INSEAD Executive Master in Change (EMC), Geert Vercaeren has embraced the significance of change being foremost a personal journey that is necessary in order for leaders to effectively lead change in their organizations. This book, *Humanizing Strategy*, reflects his personal and professional two-year journey as a member of the program. In it, he acknowledges the challenges posed by disruptive change and invites the reader to join the transformative exploration of humanizing strategy, where emotional intelligence meets strategy, and collaborative adaptation paves the way for a thriving future. As we strive to find and integrate purpose amidst the chaos of strategic transformation, the principles outlined within these pages serve as a compass to guide us.

Some strategic changes that are currently taking place in organizations are changes regarding sustainability, hybrid work models, diversity, equity, and inclusion (DEI) and digital change. By way of example, digital transformation profoundly impacts individual, team, and organizational

psychological dynamics. At the individual level, employees often experience a range of emotions when confronted with digital change. Anxiety, fear of the unknown, and a sense of being overwhelmed are common reactions. A crucial role of the leader is to acknowledge and address these emotions as well as providing support mechanisms to help individuals identify, navigate and integrate these feelings.

Within teams, digital transformation can lead to shifts in power dynamics, team structures, and communication channels. As new technologies are integrated, team members may experience feelings of uncertainty and even resistance. Effective leadership and communication strategies are essential to guide teams through this transition, fostering an environment of trust, openness, and adaptability.

At the organizational level, digital transformation can disrupt established norms, procedures, and even the core identity of the company. This can lead to a sense of loss and instability among employees. To effectively manage this, organizational leaders must cultivate and nurture a culture of resilience, innovation, and adaptability. Recognizing the psychological impact of digital transformation at every level is crucial to fostering a healthy and thriving work environment.

Furthermore, the psychological dynamics impacted by digital transformation go far beyond emotions. They also involve the redefinition of roles, the need for continuous learning and upskilling, and a fundamental shift in how individuals and teams understand and engage emotionally with their work. Addressing these psychological dynamics is vital for a successful and sustainable digital transformation journey, ensuring that individuals, teams, and organizations can embrace change with confidence and resilience.

Successfully navigating strategic changes involves profound psychological impact at the individual and team level in terms of roles, tasks, and level of emotional engagement.

- 1. Role adjustments:** faced with disruptive change in strategy, people often experience role ambiguity and role conflict. As traditional job responsibilities shift and new ones emerge, employees struggle to define their

new roles within the organization. This can lead to feelings of insecurity, decreased job satisfaction, and a loss of identity. Effective communication and role clarification from leadership are essential to help individuals successfully navigate these role adjustments and transitions.

- 2. Task redefinition:** disruptive strategy requires individuals to learn new tasks and to let go of familiar but no longer relevant ones. This process of task redefinition can be challenging, as it involves unlearning old habits and acquiring new skills. Employees face frustration, resistance, and a fear of failure as they grapple with these changes. Providing adequate training, support, and opportunities for skill development is crucial to help employees adapt to new tasks effectively and build confidence in their abilities.
- 3. Emotional engagement:** managing emotional engagement during times of disruptive change is critical for both individual well-being and team effectiveness. Employees may experience a range of emotions such as anxiety, stress, fear, excitement, or resistance as they encounter and navigate the uncertainties and challenges of a shifting strategy. Leaders and managers play a crucial role in fostering a supportive and inclusive working environment.

Humanizing Strategy provides the roadmap for leaders to successfully navigate the disruptive changes their organizations are (or will soon be) experiencing by focusing on ‘taking up’, ‘navigating’ and ‘integrating’ a more human approach to their role and the execution of their strategic agenda.

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Introduction

*'When you change the way you look at things,
the things you look at change.'*

– Max Planck

Why this book?

During my 25-year career as business consultant, coach, and executive in leading consulting firms, I have become painfully aware of the challenges of realizing strategies successfully. I have witnessed first-hand the ineffectiveness of many organizations and their inability to execute even the most well thought out strategies.

⋮ *With so much literature published on the subject, all the best practices*
⋮ *available, and so many consulting firms out there, why do most*
⋮ *strategies still fail?*

It's not a secret that most organizations struggle with strategy execution. Strategy execution is complex. Roughly 70 percent of efforts at transformation fail. People in organizations struggle to focus on the right priorities, fail to act in accordance with the strategic objectives, or simply do not engage with the vision of the CEO. Often, people are not convinced about the importance and urgency of the changes and simply do not buy-in to it. Leadership not setting sufficiently high aspirations and the lack of investment in critical skills, capabilities and behaviors (culture) are other major reasons why efforts at transformation fall short of desired results.

The current development towards digitalization and ecosystems that comprise many different parties will only increase complexity. The financial losses resulting from failed strategy implementation are tremendous, not to mention the operational and emotional disruption to the organization and its people.

What if you could lead an organization where plans and decisions are executed; where a team acts as ‘one team’; where people work together spontaneously across teams? What if you could lead an organization where people are inspired and committed to the strategy? What if you could build an organization with efficiency, values, trust and fun at its heart?

∴ *‘Thinking is easy, acting is difficult, and to put one’s thoughts into
∴ action is the most difficult thing in the world.’*
∴ – Johann Wolfgang von Goethe

Values, beliefs and emotions have a proven impact on human motivation and thus influence our focus, decisions and actions. Yet these elements are often neglected in the professional world, thereby dehumanizing strategies and organizations.

Leading research shows that emotion-based barriers present a major threat to strategy execution within organizations. Mistrust and low sharing of useful and timely information, low receptivity to effortful change, mechanistic actions and complacency are examples of barriers that prevent the sense of urgency and commitment which is necessary for change to prevail.

Emotional and psychological factors are often neglected in the strategic process, but they have a significant impact on the performance of your organization and the successful realization of strategies. I believe there are several reasons for this. Lack of knowledge and risk aversion of senior management play a role, but so does anxiety about dealing with emotions. In short, our dominant professional logic often does not include emotions.

∴ *No business strategy can afford to neglect emotional and psychological
∴ factors, because all strategies ultimately deal with people.*

In my experience, executing a strategy effectively requires going beyond fixing symptoms or introducing expensive short-term technical solutions. Interventions should start by exploring the root causes of the observed behaviours and integrating a solid business perspective complemented by psychology-informed approaches based on scientific tools. I strongly believe in an approach that focuses on visible technical elements such as structure,

governance, process and tools. Simultaneously, it is critical to tap into the world of values, beliefs, emotions and hidden underlying motivational forces that influence individual and collective behaviour.

My personal mission and the mission of the company I founded (B15) is to work with leaders to solve their most critical issues by including human-centred strategies that work in their unique context. I want to have a different conversation with leaders and offer them a different approach to strategy execution.

This book provides you with new insights, an unconventional approach on how to humanize your organization and make your strategy really work. Based on leading research, real stories, case studies and practical tools, I will take you into the world of values, beliefs, emotions and often hidden underlying motivational forces that influence individual and collective behaviours in organizations. I will show how dealing consciously and effectively with these human dynamics can have a significant impact on the performance of your organization and the successful realization of your strategy.

Take a quick test to check if this book is for you; answer the following questions with Yes or No:

1. Are you serious about making your strategy a success?
2. Do you have the patience to keep asking 'why'?
3. Do you have the courage to take a less conventional approach?

If you answered YES to these questions, you will find this book inspiring and useful.

The structure of this book

Why is so much time, effort and energy in teams sidetracked by emotions, tensions and conflicts? Why don't we get rid of the silos within my organization? Why don't people in my organization act and focus in accordance with our strategic objectives? Why don't people in my organization engage with the vision I shared? Why is my organization not ready to deal effectively with the rapidly changing challenges?

These are examples of recurring challenges and frustrations that leaders of organizations share with me on a daily basis.

I am convinced by my experience that it is possible to deal with these challenges that often block the realization of their ambitions, aspirations and related strategies. It is possible to build high-performing teams, to make people work together spontaneously across teams, to make people act and focus in line with the strategy, to inspire and create commitment to strategy and to build a (more) future-proof organization.

What are your challenges?

Why is so much time, effort and energy of team members sidetracked by emotions, tensions and conflicts?

Why don't we get rid of the silos within my organization?

Why do people in my organization not act and focus in accordance with our strategic objectives?

Why do people in my organization not engage with the vision I shared?

Why is my organization not ready to deal effectively with the rapidly changing challenges?

What do you hope for?

What if the team acts as ONE team?

What if the people in my organization work together spontaneously across teams?

What if people act and focus in line with the strategy, set the right priorities and execute plans and decisions taken?

What if I could inspire and create commitment to the strategy from within the organization?

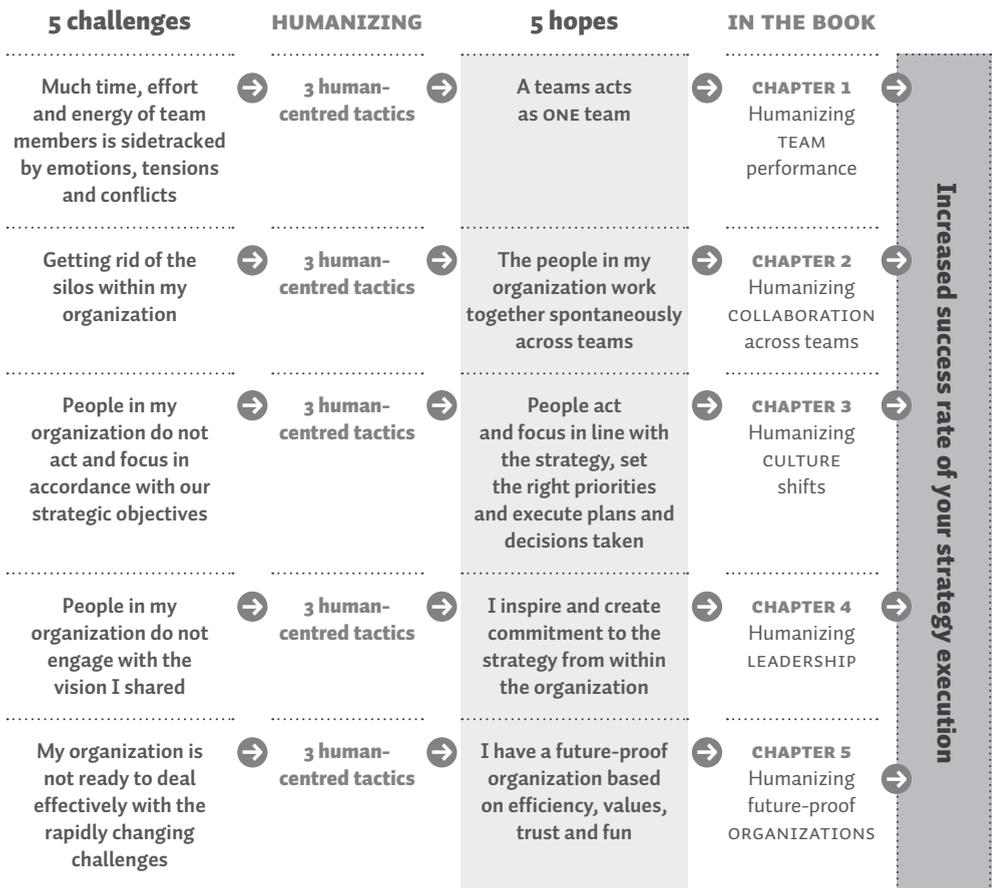
What if I could build a future-proof organization based on efficiency, values, trust and fun?

Five key challenges and hopes of leaders

This book is structured around these five challenges (frustrations, fears) and hopes (ambitions, aspirations) of today’s leaders.

It will give you insights and practical tools on how to deal with these critical challenges by taking a human-centred approach; it will show you how to humanize your strategy and make it really work.

The picture below visualizes the basic logic and structure of the book and explains how applying human-centred tactics in these five different domains will significantly increase the success rate of your strategy execution.



The logic of this book

Each of the chapters is structured in a similar way: in five parts. They start with ‘why it matters’: how the topic impacts the success of your organization (part 1). As there is already a lot of literature on this question, I do not elaborate extensively on this and provide you with a short personal perspective based on my experience. Afterwards I tell you a story about a project, initiative or intervention I conducted (part 2) followed by three less conventional, human-centred tactics that I experienced as highly impactful in dealing with this challenge (part 3). Each chapter ends with a summary of the main points (part 4) and gives you some practical instructions on how to get started (part 5). I also provide a list of key references and interesting additional reads on this topic.



The structure and flow of a chapter

In each chapter, you will also discover an illustration created by the artist Peter Moolan-Feroze, which shows his artistic interpretation of the topic. He has also constructed a short narrative around some of the key messages in the five chapters of this book. They explain the ideas behind the drawings, which all explore different human aspects of performance in organizations.

CHAPTER 1

Humanizing TEAM performance

Effective teamwork is identified as one of the core practices in high-performing organizations. The ability to quickly build, deploy, disband, and reform teams is a critical skill for today's organizations. The story '*From Me to We*' shows that effort and time within teams is easily sidetracked by emotions, tensions, and conflicts. Unconscious dynamics are often a source of ineffectiveness in a team. I elaborate on three less conventional, human-centred tactics, which I found highly impactful in building high-performing teams. Finally, I will provide you with practical tools to get started on acting as ONE team.

CHAPTER 2

Humanizing COLLABORATION across teams

Inter-group collaboration is often ineffective. It does not create the intended value and even destroys company value. In this chapter, we discuss the highly complex phenomenon of collaboration. The story '*Us versus Them*' shows that although the start of a collaboration can be conscious and rational, the process is often influenced by hidden emotional and unconscious motives and dynamics. I elaborate on three less conventional, human-centred tactics that, in my experience, are highly impactful in helping teams to work together. Finally, I will provide you with practical tools to start getting rid of your silos.

CHAPTER 3

Humanizing CULTURE shifts

'The way we do things around here', or the culture of an organization, exerts a powerful influence on its success. Defining your desired culture is not that difficult. The story '*Who needs to change first?*' shows that the proof of the pudding is in the eating; embedding new behaviours is a challenging journey, but achievable. I elaborate on three less conventional, human-centred tactics that I have seen to be highly impactful to shift towards desired behaviours

supporting your strategy. Finally, I will provide you with practical tools to start getting your people to behave in line with your strategic objectives.

CHAPTER 4

Humanizing LEADERSHIP

If the leadership dimension is not properly in place, organizations simply cannot be successful. Effective leadership corresponds directly with organizational performance; a single change in the behaviour of a leader can trigger a significant impact on the performance of the business, either positively or negatively. The story '*Uncomfortable reflections*' shows that reflection is not part of the dominant logic in our (professional) lives and that self-awareness is the essential starting point to trigger potential shifts in mindset and behaviour as a leader. I elaborate on three less conventional, human-centred tactics that I experienced as highly impactful for leaders in inspiring and creating commitment to the strategy from within the organization. Finally, I will provide practical tools to get you started in making this happen.

CHAPTER 5

Humanizing future-proof ORGANIZATIONS

Organizations today operate in the context of increased complexity, uncertainty, and continuous change. How future work is organized within organizations and within the broader ecosystems is a significant accelerator in the performance of organizations. It significantly impacts future value creation, staying relevant and survival. The story '*Speed, Gears and Brakes*' shows how to build an organization that is able to deal effectively with the challenges of rapid change and to stay relevant in the future. I elaborate on three less conventional, human-centred tactics that are highly impactful in building future-proof organizations. Then, I will give you the toolkit for building your future-proof organization based on efficiency, values, trust, and fun.

CHAPTER 6

Bringing it all together

This chapter brings the five previous chapters together; it is a summary of how to humanize the realization of your strategy from a methodological perspective. I describe the five critical steps of the methodology and approach to humanize strategies. I elaborate on the socio-technical approach, which combines a structural, technical perspective with a psychological perspective focusing on human dynamics (systems psychodynamics). I also emphasize on the critical role of the leader, and of the consultant/coach as external facilitator, in this process.

My concluding letter to you as a leader

I end the book with a letter to you as a leader, in which I share some final thoughts and give you my final piece of advice.

How to read this book

This book is built up in a way that allows you to read it as a whole or as separate parts. Each chapter is a module on its own.

To explore the relevance of the different parts in your specific context, you might want to use one of the two questionnaires below in order to set your reading priorities. You can choose the angle you like to set priorities: challenges (questionnaire 1) in case you would like to start from your pain points, or hopes (questionnaire 2) in case you would like to start from your ambitions and aspirations.

QUESTIONNAIRE 1

Your challenges in order of priority

Looking at my organization today, the biggest challenges we have in realizing our strategy are:

- Much time, effort and energy of team members is sidetracked by emotions, tensions and conflicts (*chapter 1*).
- Getting rid of the silos within my organization (*chapter 2*).
- People in my organization do not act and focus in accordance with our strategic objectives (*chapter 3*).
- People in my organization do not engage with the vision I shared (*chapter 4*).
- My organization is not ready to deal effectively with the rapidly changing challenges (*chapter 5*).

Rank the statements you selected, based on the impact that dealing with these challenges will have on successfully realizing your strategy. You might want to start reading the chapters in this order.