



**THE**  
**CHANGE CAPABILITY INDEX (CCI)**  
**AN**  
**ORGANIZATIONAL MATURITY DIAGNOSTIC**  
**&**  
**Development Program**  
**TO**  
**IMPROVE TRACTION & SUSTAINABILITY**  
**FOR CHANGE & GROWTH INTERVENTIONS**

**An Introduction**

**by**

**Dr. Myles Sweeney**

**Mr. Declan Kavanagh**

Executive Summary to Intelligentorg.com’s Change Capability Index (CCI)

Change is unavoidable for organizations. But, it is something that many organizations do poorly. Research shows 70% failure rates for change and growth initiatives (McKinsey). The reason is simple. Failure occurs when initiatives overstep the Capability (Capacity & Competence) for change in the organization. Now, this can change. Intelligentorg.com measures the change Capability in the organization, or relevant section. For the first time, a science-based approach graphically shows the weak-spots in organizational functioning and gives a 10-step roadmap that will improve change-program outcomes and the overall Capability of the organisation to manage and adapt to change.

Improve your organisation’s Capability to change, achieve Leadership levels, where your organisation is change-comfortable, proactive and responsive. Diagnose your organisation’s change Capability and if you reside in the top half you can execute change and take the recommended steps in parallel to achieve a Leadership position. However if the functioning of your organisation (or a section of it) resides in the lower half of the model, your change Capability will be limited or non-existent, and extra attention will be required to organisation development prior to making the specific business change.

This is an important new insight into the challenge facing CEOs and their organisations who stand to gain so much with effective change. The Model explains for the first time why failure rates are so high for change, and how to remedy it.

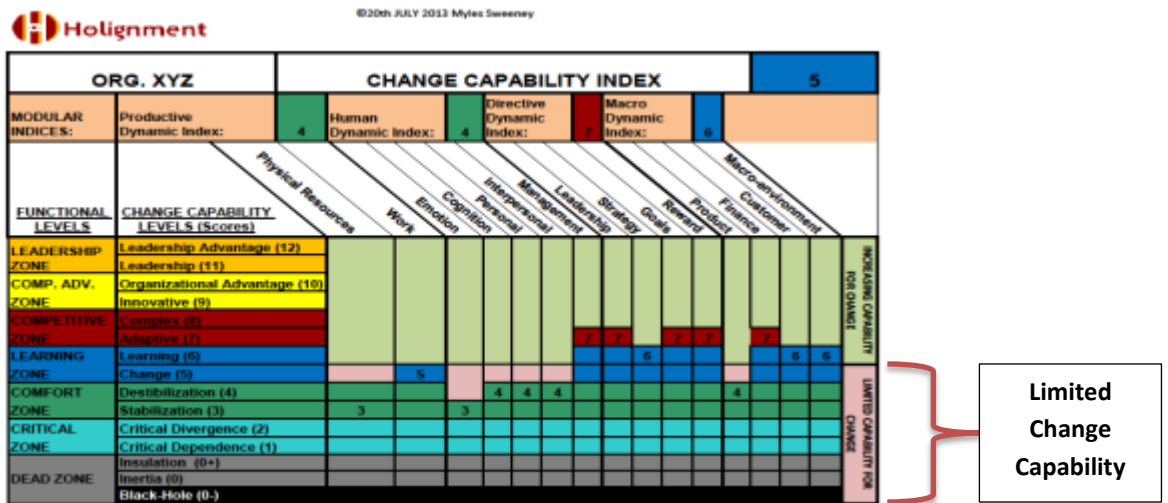


Fig. 1. Sample Dashboard

Each Growth Dynamic (seen above as diagonal titles) comprises 5 or more Dynamic Constructs. For example, Cognition has Decision Making, Planning, Communicating, etc. Another key insight of the approach is that Sustainable Change and Growth can only occur at the level of the Construct, with organizational change and development arising as an integrated accrual of such changes.

The solution is simple. Run an on-line diagnostic survey, use the automatically generated instructions to plug the gaps and know that you have a strong organizational system. Furthermore, the instructions for each dimension give step-by-step guidance to achieve the highest levels of its developmental programme for as much of the organization to which it is applied – Sustainable Competitiveness, Organizational Advantage and ultimately, Leadership Advantage.

For any kind of change-management intervention small or large throughout an organization, the CCI tool based on *Levels of Learning* theory and designed specifically to optimise traction and sustainability which have been found to be missing from typical initiatives that contribute to the high failure rates for Change-Management interventions.

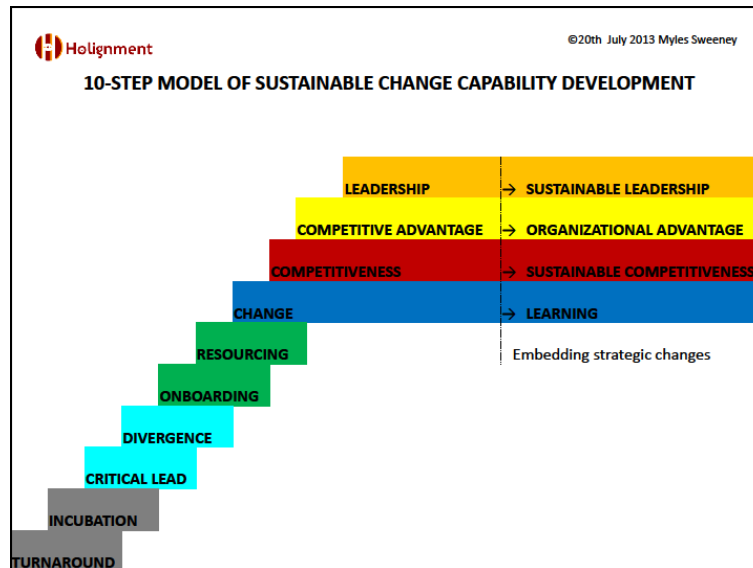


Fig. 2. Intelligentorg.com Model for developing Change Capability

### Overview of CCI

The nature of change and change management (CM) has been well researched and practiced over the years. However until now there has been no scientific method for getting a true measurement of the capability (Competence, Capacity & Willingness) to change for an organisation. We know that key elements relate to human nature and human system behaviour and how well a change management process is executed. We also understand that change context will influence both the CM process and human system behaviours and, hence the style of leadership and means of collaboration and engagement are adapted based on the situational context. Urgency & Time pressure as drivers for change (Survival as an example) , versus strategic importance , nature and scale (eg major technology or market shift) will require different CM approaches.

The ideal scenario is our organisation is familiar and comfortable with change and deals with tactical and strategic change as a matter of normal activity. Organisations with this level of maturity are efficient and effective in achieving business growth and success. But how do we know we are at this level?

At the other end of the spectrum which for whatever reason may be stable, mature, inflexible, complacent and have limited or extremely little capability and/or experience to change, where there is a situation that requires change. And there is a range of levels of capability to change between these two examples.

If management and Leadership understand what the current change capability is and what the target capability is then their change management processes and investment can be adapted to reflect the context of each change and lead to more efficient, effective and sustainable change

outcomes. We also know that in larger organisations different groupings, may have different change capabilities and therefore the context and approach to managing change may differ across an organisation (While maintaining an overall cohesive framework for the organisation as a whole). Finally tactical and strategic change may only have direct impact on specific groupings within an organisation and therefore the core CM engagement may be focused on those specific groups (Recognising that within the framework the engagement and involvement of all other stakeholders will still require communication as a minimum).

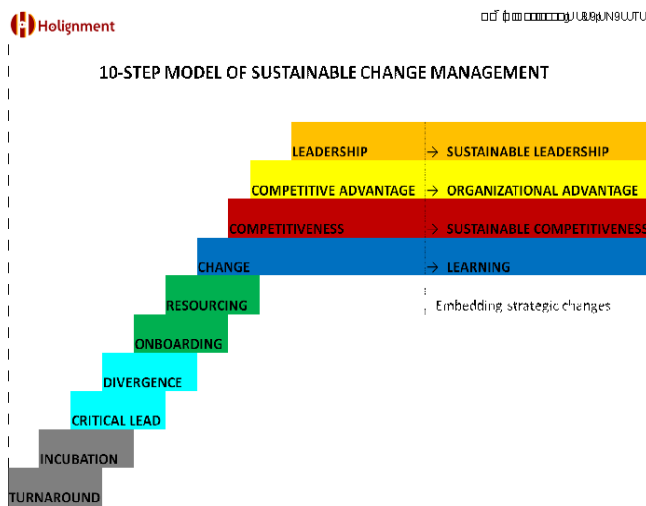
So based on many years research on human systems behaviours and organisation development, coupled with practical experience of managing tactical and strategic change Intelligentorg.com developed a scientifically based on-line diagnostic to inform change managers and stakeholders of the current change capability (Maturity) in order that the process for managing change tactical or strategic can be tuned to minimise risks, maximise change success rates (Current research indicates failure rates are circa 50%), and ensure sustainable outcomes from the change.

What we introduce is the concept that CM and change is an organic and agile process rather than a static sequential process and a way to influence change program outcomes for better results.

- **Measure change capability in all or any part of your organisation**
- **Create visibility & a road map for a change friendly organisation**
- **Adapt the change process for different parts of the organisation or overall**
- **Improve the effectiveness and outcomes for tactical and strategic change programs**

For any kind of change-management intervention small or large throughout an organization, the CMMI tool based on *Levels of Learning* theory and designed specifically to optimise traction and sustainability which have been found to be missing from typical initiatives that contribute to the high failure rates for Change-Management interventions.

The HCMP Model



**CHANGE CAPABILITY INDEX**

ORG. XYZ

ORG. XYZ	CHANGE CAPABILITY INDEX	5		
MODULAR INDICES:	Productive Dynamic Index: 4	Human Dynamic Index: 2	Directive Dynamic Index: 2	Macro Dynamic Index: 1
FUNCTIONAL LEVELS:	CHANGE CAPABILITY LEVELS (Scores)			
LEADERSHIP ZONE	Leadership Advantage (L2)			
COMP. ADV. ZONE	Organizational Advantage (O2)			
CHANGE ZONE	Innovation (I2)			
LEARNING ZONE	Learning (L2)			
COMFORT ZONE	Disambiguation (C)			
CRITICAL ZONE	Stabilization (S)			
CRITICAL ZONE	Critical Dependence (D)			
DEAD ZONE	Immersion (I2)			
	Black Hole (B-)			

Limited Change Capability

## How does it work?

1. The leadership and management have identified the need to understand the change Capability across the organisation with a view to pro actively improving the outcome for a specific change initiative and whatever change might be needed thereafter
2. Targeted participants (i.e., some or all of the organisation) complete online diagnostic questionnaires. The resultant data automatically generates a visual dashboard and report of the change Capability for the organisation overall and/or whatever sections have been targeted.
3. Using the step-by-step instructions of the reports, management now implement interventions appropriate to the change Capability within the target organisation or sub set/group thereby, improving change Capability and the sustainability of the growth arising from the change initiative once implemented
4. **(Diagnosed in the Change-Capable (top) half of the Model)** The natural order of change-Capability development is to select and implement the recommended interventions for the next level up from the measured functioning level.
5. **(Diagnosed in the Change-Limited (Lower) half of the Model)** If the level of functioning is diagnosed as habituated, it is normally necessary to build the interventions from Level 1 of the programme which is called the Turnaround Level. This is because for the change to be successful, the factors that have cause functioning to stall will have to be collectively rejected and the functioning in question re-developed through all of the Levels.
6. Following the change and periodically thereafter, management can survey and understand the effectiveness of the change and ongoing change Capability thus establishing its overall change Capability as well as its potential for sustainable growth.

Using this method allows management to calibrate the specific change interventions to the level the organisation or section is functioning at, while improving change Capability. The use of the model also signals to stakeholders the importance of change and their involvement in the process.

### ***Some Examples of change where the Model & Process should be considered***

Change is a naturally occurring daily and periodic process in most organisations. However, there is a tendency to develop an accepted status-quo, and this can occur at any level in the model. Therefore, to effect any of the change examples below we may have to move stakeholders out of a habituated level in the only way that gives any Change program traction i.e., within a growth process which ensures better outcomes from the initiative.

#### ***Routine Operational Change***

- *New Product or Service Introduction*
- *Continuous Improvement or Lean Program initiated change*
- *Significant New Customer or Supplier*
- *Starting a New Team or Function*
- *Changing a Business Process*
- *Introducing a New Team Member or Leader*
- *Collaboration Program or Platform*
- *Introducing a New IT system*

#### ***Strategic Change***

- *In or Out-Sourcing*
- *Corporate Program*
- *Turnaround Strategy*
- *Growth Strategy*
- *M & A activity*
- *Divestment*
- *Rightsizing*

## **Model Overview & Terminology**

### **Description of Change Capability Levels**

#### **1. BLACK HOLE**

##### **a. Diagnostic Findings**

This is the lowest level of functioning. For dimensions reported at this level, resources are being haemorrhaged, morale is at distress levels, while attitude can be anti-growth and even destructive toward organizational interests

##### **b. Symptoms**

Embezzling Managers, Undisciplined Staff, Loss-Making Projects, Destructive Environmental Footprint, Antagonism towards customers, etc.

##### **c. Remedy**

Level 1 TURNAROUND - A Collective Decision to disconnect from the old.

Typical actions and process steps might include:

- i) Establish a foundational political dynamic & socio-economic argument for change
- ii) Establish change agent, instil urgency, employ objective reports, etc.
- iii) Involve enough expertise to get an optimal vision that will excite the workforce
- iv) Prepare argument that will be constructively taken on board by the workforce

#### **2. INERTIA**

##### **a. Diagnostic Findings**

Constructs are not energising organizational progress

##### **b. Symptoms**

People are depressed, Machinery is obsolete, Processes do not work, There is a general disconnect between the organization and what is happening in the market and broader world.

##### **c. Remedy**

Level 2 INCUBATION – A Collective Planning process

Working with the Network of critical people (NCP-Key Managers, Leaders and influencers) the change agent plans progress through the Levels from the current situation to the desired outcome agreed in Level 1

#### **3. INSULATION**

##### **a. Diagnostic Findings**

##### **b.**

Constructs suffer from Failure to Launch

##### **c. Symptoms**

Paralysis by Analysis, Lack of commitment to plans that leaves projects dead in the water, deficit in sales capacity, etc.

##### **d. Remedy**

Level 3 CRITICAL LEAD – An Organising Centre for development. This involves generating a critical singularity for the construct being developed. If it is essentially a behavioural turnaround, then,

- i) The leader must take an accountability that is visible to the whole organization so that discipline will be enforced around progress.

- ii) On other constructs, establish flagships (a reference customer, lead product, etc.)

#### 4. CRITICAL SINGULARITY

- a. Diagnostic Findings

Constructs are stuck in dependency mode

- b. Symptoms

Constructs are under a dominating and limiting influence, e.g., Leader, Customer, Funding Source, Assumption, etc. leading to Groupthink, Disempowerment, etc.

- c. Remedy

Level 4 DIVERGENCE – Delegation, Diversification, etc.

- i) The Change Agent ensures that each of the NCP take on their roles
- ii) Leader re-establishes accountability for indiscipline in goal achievement through the change-implementation process
- iii) Diversify beyond the dominant or even flagship client, product, etc.

#### 5. CRITICAL DIVERGENCE

- a. Diagnostic Findings

There is chaos, burnout, churn, etc.

- b. Symptoms

Managers are fire-fighting; Process and procedure are not taking hold, Strategy is stuck in an opportunistic Level, etc.

- c. Remedy

Level 5 ONBOARDING – Getting the people onboard

- i) Choose projects to position as pilots, depending on the Construct being developed
- ii) Choose the business initiatives from Level 4 as most likely to offer Sustainable Competitive Advantage
- iii) With regards to people, this Level is about getting them behind and involved in the change. This is essentially the function of communications from workshops to newsletters which need to
- iv) Position the Vision and Plan of Levels 1-2
- v) The initiative must carry the visible weight of Leader and Management commitment established in Levels 3-4
- vi) Facilitators recognise emergent champions to add to NCP, etc.

#### 6. STABILIZATION

- a. Diagnostic Findings

Comfort Zone, Stodginess, Comradery, Consensus, Niche is shaping the organization

- b. Symptoms

Symbiotic relationship with customer; Management Clique; Chronic Unionisation; etc.

- c. Remedy

Level 6 RESOURCING – This Level is known definitively as Destabilisation because it means mobilising resources human, time, financial, etc.



- i) Position emerging champions
- ii) Initiate pilots
- iii) Enable the initiatives chosen in Level 5, etc.

## 7. DESTABILIZATION

### a. Diagnostic Findings

There is willingness among some quarters to change but it is being stifled by the influences to persist in the Comfort Zone

### b. Symptoms

Frustration among people at stodginess; Ideas being deferred; Opportunities being ignored; Bipolarisation among managers; Excessive Defensiveness of strategy; etc.

### c. Remedy

Level 7 CHANGE – Make the adjustment necessary at personal level for the growth to have traction

- i) Audit for requirements re. personal development and remediate
- ii) Ditto for strategic competencies
- iii) Competence alignments for the long run
- iv) Organise workshops for shedding of corporate emotional baggage, etc.

LEARNING – Internal Fitness for Purpose

Proper relevant process and procedure are embedded into the organization so that together with people fitness, internal organizational fitness for strategic purpose is established in every regard

## 8. LEARNING

### a. Diagnostic Findings

There is a general bias towards excellence in Process and Procedure and internal matters, with a general neglect of engaging in the marketplace.

### b. Symptoms

Deficit of Market Scanning; Cultural Bias towards Quality over Results; Introvert Leadership; etc.

### c. Remedy

Level 8 COMPETITIVENESS – This Level has different characteristics depending on the Construct in question. For behavioural constructs it should typically mean

- i) Generate a culture of “Customer Care Excellence”;
- ii) Monitor & change market performance to at least match that of peer organizations
- iii) Otherwise generate fruitful connections to drive construct development, etc.

SUSTAINABLE COMPETITIVENESS

This simply means embedding / freezing / proceduralizing each change as it takes shape. Systemic Quality Excellence is thereby established



## 9. COMPETITIVENESS

### a. Diagnostic Findings

Organizational functioning compares with peers, there is customer-care culture and systemic connectedness. However, there is a reluctance to take on innovation, probably because it is seen as disruptive

### b. Symptoms

Bias towards results over innovation and growth; Micro-improvement in performance rather than quantum potential; empowerment is limited to performance rather than strategic contribution, etc.

### c. Remedy

Level 9 COMPETITIVE ADVANTAGE – Empowerment, Creativity and Innovation

- i) Establish self-expression as a Value that is supported and rewarded
- ii) Establish strategic bases for innovation
- iii) Ensure an empowering management style (Coaching, Facilitating, etc.)
- iv) Skill relevant workforce in creativity
- v) Ensure competence abundance and redundancy levels of resources
- vi) Monitor the degree to which the Construct now has a life of its own, etc.

### SUSTAINABLE COMPETITIVE ADVANTAGE (ORGANIZATIONAL ADVANTAGE)

This simply concerns embedding each change of Level 9 as it occurs, and also each strategic support that is required at this level, e.g., career pathing, rewarding, early-stage management involvement in innovative projects, Portfolio Management of Risk/Reward, etc., & maintaining quality. Embedded Strategic Innovation defines Sustainable Competitive Advantage which can be called Organizational Advantage

## 10. ORGANIZATIONAL ADVANTAGE

### a. Diagnostic Findings

Organizational functioning balances innovation with quality so that it inherently yields advantage to projects. However, there is a reluctance to leverage advantage in the marketplace to take charge of where the sector is going

### b. Symptoms

Brand is not effectively leveraged in the marketplace; Leaders in the organization are hesitant about being leaders in the sector and engaging with the shaping influences in the world at large; etc.

### c. Remedy

Level 10 LEADERSHIP – Establish the organization as an internal and external leader or organizing centre for the construct or dimension in question whether it is related to people, process, product, finance, etc.

- i) Establish Thought Leadership through conferences, publications, Hacks, public appearances, etc.
- ii) Actively educate the sector and beyond in mutual benefit with the Construct
- iii) Shape the sector by leading change relating to the Construct (e.g., Compliance)
- iv) Use marketing technique to generate Brand Loyalty



- v) Ensure that all staff are aware of leadership across all activities where it is achieved, etc.

#### SUSTAINABLE LEADERSHIP (LEADERSHIP ADVANTAGE)

Even if an organization has achieved leadership, it is still important that this embedding process is engaged. Otherwise, stagnation can accrue in the forms of e.g., Autopoiesis which is an arrogance that looks for all progress to come from within (e.g., Intel); misaligned M&As, or Tropism which is a catastrophic degradation to Level 1 through rigidity on a critical factor (e.g., Polaroid). Sustainable Leadership is achieved through an established process of renewal whereby the 10 developmental Levels are regularly re-invigorated so that e.g., from Level 1, all negative aspects are removed, the plan is checked against strategic requirements, leader commitment or product lead is re-affirmed, key-people responsibility is disciplined, everyone is onboard, all dimensions are well resourced and refreshed, training and competence are adequate, process and procedure work well, etc., etc. up the rest of the Levels

NB It is only through the processes of Sustainable Leadership that LEADERSHIP ADVANTAGE is achieved for the organization. In other words, the functioning of the organization is embedded at such a level that products and services are seen as leading the way in the sector and the world at large

#### Conclusions

Effective change management requires excellent facilitation, process & engagement. Having a framework for change management that enables management & Leadership target the right interventions, the right way at the right time can radically improve the success rates of tactical and strategic change programs. One size does not fit all, individuals, teams, functions, units and groups within organisations may have different capabilities for taking on board change, so if we measure their change capability we can get the best sustainable traction at a granular level, thus improving the overall organisations sustainable growth capability and performance.