



# Redefining the rules of Organisational Transformation

Focusing on Leadership and Trust is key to sustained change

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# Transforming how leaders drive organisational change

**As the world continues to navigate complexities created during the pandemic, a new set of rules have emerged to govern how we operate our lives both personally and professionally.** The old guardrails we used to interact with each other no longer work. Dealing with even more ambiguity, leaders are now under more pressure while leading their organisations through more complex and even faster change. Transformations are no longer one-time events but should be thought of as continuous evolutions to adapt the workforce to constantly changing external signals. This requires new capabilities and characteristics to drive success:

- **Enabling** leaders to drive change within this challenging landscape.
- **Enhancing** the ability of leaders to empathize with their employees and be open and transparent about where the organisation is headed.
- **Creating** a culture of change and trust to enable the workforce to be resilient in delivering on changing business objectives and drive innovation to scale for each new challenge.
- **Elevating** the employee voice and position them at the forefront of the change. This maintains momentum, includes employees in decision making and limits change fatigue throughout the continuous change cycle.

# Leading through change

**Leading through change will continue to be a competitive advantage for organisations moving forward.** Navigating political dynamics has become increasingly difficult, especially as competing viewpoints across a cross-generational workforce become more prominent. In today's world, there is more pressure for leaders to take a stand on world, political, and social events. An organisation's actions and statements, and the timing of those actions and statements, have the power to draw in and retain talent, and loyal customers. In addition, supply chain disruptions, the war for talent and the ambiguity of how we will restart global economies can be overwhelming.

To navigate these complex issues, some of which may have nothing to do with the products and services organisations provide, leaders must combine courage with empathy and humility. However, we have found that today's leaders feel unprepared and unequipped to effectively lead when faced with these challenges, requiring a different set of capabilities than the technical competency that are typically celebrated and required to move up within an organisation. The challenge is that these skills are not taught in traditional leadership courses and are much harder to master without a safe space to practice and grow.

The characteristic of empathy is critical in driving transformational change. Stepping into the shoes of others to understand employees' hopes, ambitions, fears, and anxieties should not be overlooked. As we know, leading change is not the same as experiencing change. As a leader, it's critical to practice taking a step back from your own personal agendas and see change through the eyes of others, allowing you to meet employees where they are. That is empathy, and that creates an unparalleled authenticity that engages others and enables leaders to have the resilience to model the behaviors that establish relationships of trust.



Trust is the bedrock of creating safe spaces from which change can occur. It encourages leaders to exhibit a sense of humility and vulnerability in which they feel empowered to admit to their teams that they may not have all the answers, but that they are open to learning and collaborating to discover new ideas. It also gives leaders the strength to be resilient and confront difficult issues that others may be ignoring. While it's understandably terrifying to be vulnerable, it also creates a sense of authenticity that leads employees to feel connected with their leaders and have confidence that they are doing right by their workforce. This is imperative, especially as driving change requires a focus on creating a culture of trust.



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# Creating a culture of trust

**Redefining your organisation's culture to work in this new reality has proven to be challenging for leaders.** Focusing on creating a culture of trust is imperative, but in today's remote environment, it is harder to engage with others and build trust as today's virtual world has made it easier for people to hide behind email, phone calls, and computer screens. As organisations continue to face constant change, undertaking too many initiatives at once and adding more work onto people's plate can lead employees to lose trust in their leaders.

Without this trust in leadership, employees will hide things from their leaders by choosing to not speak up, making it much more difficult to advance your organisation's vision. Therefore, starting with the organisation's culture and values, leaders must think about how they need to potentially change and lean into their culture to drive behaviors that instill trust and embrace ongoing change for their employees.

Building this foundation of trust starts with leaders setting and communicating clear priorities and following through on their commitments through consistent action. Trust can also be built in little ways—addressing current pain points, identifying the moments that matter in supporting employees—that enable the organisation to build a culture that withstands ongoing challenges.

The last two years have come with great uncertainty and people have looked to their leaders for answers, but leaders have found it difficult to provide concrete answers when it feels like everything can change in a minute. Leaders have had to learn to accept that they may not have all the answers not only by displaying humility, but also by trusting their employees. By creating this environment and providing employees the necessary support to work effectively, the trust will be reciprocated and employees will give back to the organisation.



Overall, when you build relationships that cultivate trust in the right way, you increase collaboration and productivity and combat any bad behaviours that may result from this virtual environment. It's important to be purposeful about creating and reinforcing a culture of trust to set a strong foundation that will outlast the pandemic.



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# Managing a portfolio of change through data

**The luxury of manageable change is over. Never before have leaders been faced with so many initiatives and transformations alongside competing timelines.** Employees are feeling more exhausted and unsure of how the changes are connected, what's coming next, and what it means for them. Even more difficult is that leaders themselves often do not have all of the information or context to communicate with employees and make decisions on priorities. This overwhelming experience can cause employees to disengage and leave for better environments.

How leaders drive a portfolio of change by looking at all initiatives through the lens of the employee experience enables better decision-making. However, organisations struggle to successfully manage concurrent changes. Transformations and initiatives are becoming more complex, with multiple simultaneous ongoing efforts that cut across functions. This leads to a competition for the same resources and limited visibility into the collective impact on employees and the organisation across the portfolio of initiatives. Therefore, it is vital to lead change through a portfolio lens that has employees at the center.

To do this successfully, it's important to capture employees' needs using data informed insights. Leveraging these insights makes it possible for leaders to keep a pulse on how employees are feeling but, more importantly, make decisions that can drive better experiences to retain talent. Clarifying how initiatives connect, what the employee's role is in each, and defining a vision for where the organisation is headed can reduce confusion in engaging across all priorities.

When gathering data, however, it is important to keep in mind that people tend to feel differently on a day-to-day basis. What was true four months ago, may not be true today. Therefore, data needs to be dynamic in capturing the cumulative impacts to people—when are they being impacted, what part of their work, and to what degree—to create agile actions that continue to mitigate confusion. Data can also enable decisions on solving the highest pain points of our employees' experiences and not creating new ones by managing how much time we are asking them for relative to engaging in designing changes, preparing for changes through training and other means, and reading communications and updates on ongoing initiatives while performing their day jobs.



Ultimately, this allows you to better prioritise and communicate to your employees. When undergoing multiple changes, prioritisation is important to prevent employees from feeling overwhelmed and disconnected. Similarly, communicating in an integrated way that speaks to what is expected of employees and how it's going to impact them demonstrates that leaders are actively seeking ways to keep employees engaged.



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# In closing

**We know there is no one solution that creates transformational success for leaders and for the organisation.** However, keeping at the forefront the leader and employee experience is the first step to driving a more transparent and cohesive transformation. Start by being purposeful in creating these journeys and determine if you are aligned across the leadership:

- 01.** Have you aligned leaders on the priorities of the organisation to determine the right set of initiatives on which to focus?
- 02.** Do leaders have a clear view as to the expectations of how they lead through change?
- 03.** Have you identified how to provide employees a voice in transformational change?
- 04.** Do you know the impacts across multiple initiatives to your employees to drive decisions on priority?
- 05.** Have you identified areas of culture that need to change to drive trust in the organisation?



A large semi-state organisation, headquartered in Ireland, was undertaking a business transformation across their enterprise with a view to achieving quicker processes and enhanced capabilities in a more competitive market. As part of this transformation, the group structure was also being disaggregated and employees were feeling a sense of uncertainty around their future roles and careers. In supporting the overall transformation programme, KPMG firstly worked with the leaders in the organisation to remediate any areas of culture misalignment and then helped the organisation to position the transformation as people-led with the needs of the employee at the forefront in driving decisions about how to continue moving forward through market uncertainty. Leaning on the organisation's established culture of trust, KPMG anchored on data informed insights for leaders on employee sentiment and identified key areas of overload in the organisation. A relentless change management approach was deployed to ensure all employees in the organisation, as well as key stakeholders, had an opportunity to feed into the transformation process, with clear boundaries outlined in terms of programme scope, so that the potential for disenfranchisement was minimised. Additionally, leaders helped employees to understand the portfolio view of change and how they impacted each stakeholder grouping, which enabled employees to be clear and comfortable on the transition. KPMG and leaders also worked to be fully transparent in the answers they had (or did not have) given the high-consent nature of the behavioural changes required, in addition to the importance the organisation placed on trusting its people. By doubling down on the culture of trust, employees felt empowered to take on new challenges and this helped to achieve ultimate programme success.



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**Produced by:** KPMG's Creative Services. **Publication Date:** June 2022 (8333)



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