



# Redefining the rules of organizational transformation

Focusing on people is key to sustaining value



# Transforming how leaders drive organizational change

**A**s 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 under more pressure to readjust their own lives while leading their organizations through more complex and even faster change. Transformations are no longer one-time events but should be thought of as multifunctional, continuous evolutions to adapt the workforce to constantly changing external signals. This requires new capabilities and characteristics to drive success:

- **Enable leaders to drive change within this challenging landscape.** Enhance the ability of leaders to empathize with their employees and be open and transparent about where the organization is headed.
- **Create 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.
- **Elevate the employee voice and position them at the forefront of the change.** This maintains momentum and limits change fatigue throughout the continuous change cycle.

# Leading through change

**Leading through change will continue to be a competitive advantage for organizations 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 organization'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 organizations provide, leaders must combine courage and resilience 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 technical competency that are typically celebrated and required to move up within an organization. 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 also key when creating a safe space for leaders and employees to embrace change.** 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. 4

# Creating a culture of trust

**Redefining your organization'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 organizations 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 organization's vision. Therefore, starting with the organization'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 organization 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 with the necessary support to work effectively, the trust will be reciprocated and employees will give back to the organization.

**Overall, when you build relationships that cultivate trust in the right way, you increase collaboration and productivity and combat any bad behavior 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. 4**

# Managing a portfolio of change

**The luxury of manageable change is over. Never before have leaders been faced with so many initiatives and transformations with 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, organizations 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 organization 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-driven 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 organization 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.

**Ultimately, this allows you to better prioritize and communicate to your employees.** When undergoing multiple changes, prioritization 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. **4**



# In closing

**We know there is no one solution that creates transformational success for leaders and for the organization.** 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:

- 1** Have you aligned leaders on the priorities of the organization to determine the right set of initiatives on which to focus?
- 2** Do leaders have a clear view as to the expectations of how they lead through change?
- 3** Have you identified how to provide employees a voice in transformational change?
- 4** Do you know the impacts across multiple initiatives to your employees to drive decisions on priority?
- 5** Have you identified areas of culture that need to change to drive trust in the organization?

**A global CPG was undertaking a business transformation enabled by a full platform cloud migration** across their enterprise. As the organization was managing multiple changes concurrently on top of the pandemic, employees were feeling a sense of uncertainty and anxiety around their future roles and careers. To navigate this, KPMG worked with leaders to show empathy in putting the needs of their employees at the forefront in driving decisions about how to continue moving forward through market uncertainty. Leaning on their culture of trust, KPMG anchored on data-driven insights for leaders on employee sentiment and identification of key roles that were overloaded and unaware of how to prioritize their work. Using this data, leaders were able to engage differently with their teams through targeted actions that dove into guidance and better information to answer specific questions on the changes ahead. Additionally, leaders helped employees to prioritize their work by understanding the portfolio view of changes impacted each stakeholder and enabled employees to continue finding a purposeful way forward. KPMG and leaders also worked to be fully transparent in the answers they had or did not have given the consent nature of the change, as well as on the importance of trusting their people. By creating a culture of trust employees felt empowered to take on new challenges and achieved program success. **4**



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