

CHANGE AGENTS, TEAM COACHING & ORGANIZATIONAL TRANSFORMATION – SANOFI CHANGES ITS CULTURE AND THE GAME OF WORK!

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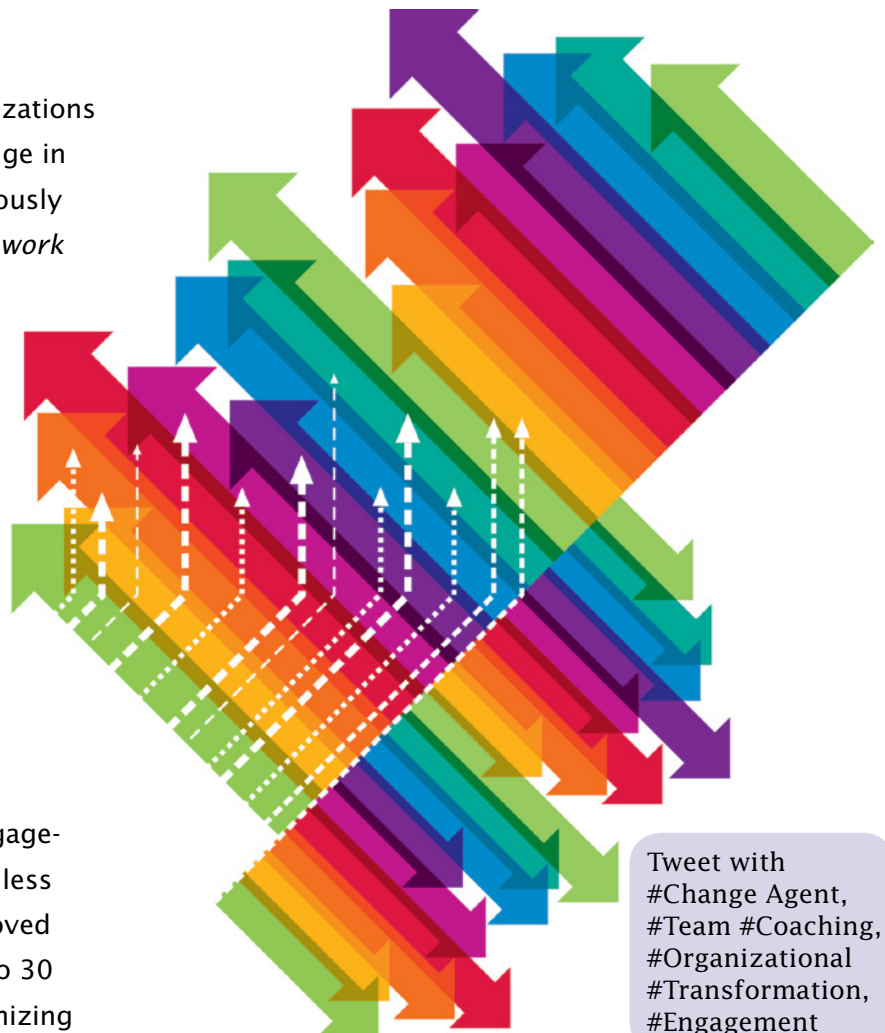


“In my decades in business, I have never seen a company so decisively execute a plan to change the culture...thank you!” – employee comment from the 2013 Sanofi Change Agent survey – one year after the launch of the change initiative.

Background

When 20 leaders from five global organizations were asked what they most wanted to change in their companies, the response was unanimously centered on their people – *have our people work at their potential and our teams work at maximum efficiencies and ultimately, to energize our workforce.*^[1] While all leaders are rightly concerned about market share, customer service and returning a profit, they also recognize that sustainable improvements and innovations start with employees who find meaning and satisfaction in their jobs and take pride in their companies.

Sanofi North America Pharmaceuticals made dramatic organizational changes and achieved unprecedented results in both engagement and core leadership competencies. In less than one year, the engagement index improved from 61.6% to 90.4%, an increase of close to 30 percentage points. Sanofi did this by recognizing



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#Transformation,
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^[1] Anita DeMasi of ARD Marketing, Qualitative Market Research, January 2013.

that meaningful change occurs when you win the hearts and minds of employees and deliberately set that as an objective. Some companies hire consultants to apply change theories and process models to restructure their organizations with a top-down approach to change. In these cases, the external consultants may act as leaders, and employees are not involved in the process; they can only respond to what they are told is changing. Sanofi took a different approach. They partnered with The Pyramid Resource Group to design, coach and develop a select cadre of internal first-line leaders to evolve change from within the commercial organization. These leaders, Sanofi's "change agents" started by listening to employees and existing leaders and involving them in identifying and driving the needed changes.

The design of the initiative focused on: (1) accelerating change leadership and team coaching skills; (2) setting the stage for courageous communication; and (3) fostering a culture of coaching and continuous improvement. This approach created the contrast needed for leaders to break down organizational change into manageable events to create new ways of working with their teams. One significant finding was this: even though only 25% of the company's teams – 60 actual teams – were coached through the process, the entire organization felt the impact and engagement increased among all divisions of the company.

Change Agents Build Internal Capability

A "change agent" describes a first line leader whose job is to learn and model change leadership, setting a course for the organization to follow. Change is difficult, and working with many models and processes takes time and can be daunting. Pyramid's master coach team guided the change

From a change agent's perspective on how the change was accelerated.

"My role as a change agent is to act as a catalyst to build capabilities that will put the organization in a position to change to meet the needs of a rapidly shifting business and customer landscape. The leadership who sanctioned the placement of change agents embedded in the organization understood that if we work to change processes, business approaches and foster innovation without undertaking significant cultural change, we would be setting the organization up for frustration. As change agents, our first order of business was to shift the water cooler dialogue from 'what is wrong' to 'what is possible?'"

Doug Buriani, Change Agent, California, USA

agents until they were ready to lead all the processes needed for change. Over the course of the first four months, they received extensive training in change leadership and team coaching skills during week-long rigorous sessions.

Change agents were carefully selected and recruited from within Sanofi for a two-year assignment and their average tenure at the company was over 10 years. Their scope of influence was approximately 100 employees each. This team of 25 leaders was charged with supporting first line through director level and business unit head leaders in implementing broad organizational change in three specific areas – cultivating change agility, accelerating team performance and creating an environment where continuous improvement is a natural progression of work.

First Step – Listen!

The change agents began their work by hosting

intensive listening sessions with all field and select home office teams to understand why engagement was low. Exercises with employees, such as plotting emotions on the William Bridges change curve, helped create language that employees could use to express clearly what they were experiencing.

Genuine conversation was beginning between employees and change agents, and through those interactions, change agents began to introduce contrasts between talking about change and driving it. These contrasts revised the emotionally charged water cooler conversations and enabled people to shift their points of view from old ways of working to new ways of thinking. Change had begun. People were energized by new possibilities.

Second Step – Hear and Acknowledge!

Many issues surfaced and were present in the employee population. Both the listening sessions and the baseline survey provided rich feedback from employees in the form of theme reports delivered to the leaders at the request of Anne Whitaker, President, Sanofi North America Pharmaceuticals. The challenge was to identify and catalogue this feedback in a way that would contribute to an action plan, achieve quick fixes for the easy problems, and acknowledge issues that would take longer to address. These themes were presented to the individual division leaders, addressed in virtual town hall meetings and in leadership workshops.

Third Step – Coach Employees to Participate in the Change

Shortly after the change agents were deployed in 2012, a company-wide survey was launched to create a baseline measure of behavioral indicators and engagement and to provide a secure and confidential outlet for employees to voice their concerns. The survey provided an additional open-

ing for leadership to continue the dialogue with employees that was under way with the change agent listening sessions and presented the opportunity to create action plans based on the survey findings. Additionally, to determine the impact of team coaching and other employee touch points intended to drive organizational change, the plan was to survey employees at the beginning of the initiative and then one year later in 2013.

Initial Survey Findings

In the 2012 survey, there were three consistent themes about people and two about processes.

Themes related to people included:

1. Employees felt weary, drained of energy, and lacking direction or a sense of power due to the mergers of several companies, ongoing restructuring, and a quest to integrate and streamline cultures and processes.
2. The company employed a calibrated performance management system that was incorrectly perceived by employees to be part of the downsizing. The unintended consequence was that it exacerbated the underlying fear of job loss.
3. Cost containment measures, necessary but painful, were implemented and created further frustration among employees.

Themes related to processes included:

1. Technology complaints, ranging from slow, unreliable field computers to hard-to-use systems to product websites that were difficult to access. Respondents called for a return to a culture of simplicity and eliminating redundant processes.
2. Employees were lost in decision-making requirements. Some said that it was time to flatten the organization to better align with Sanofi's vision.

Since organizational change is the composite result of personal behavioral change among employees, the survey questions identified perceptions and actions consistent with the company's four core competencies:

- ◆ commit to customers
- ◆ cooperate transversally
- ◆ act for change
- ◆ strive for results

Using these four competencies and adding self-awareness and communication skills from the Team Advantage™ targeted skillsets provided the six high performance behaviors that were measured in the research.

As is often the case with initial surveys in a struggling environment, once employees feel confident that they won't be harmed by their candor, the floodgates open. In this case, 1,660 of the 1,901 respondents used the unlimited comment space, which translated into more than 100 pages of often emotionally charged appeals for change. Comments are a rich source of candid insights and provide employees with a sense of catharsis by allowing them to verbalize their suggestions and aspirations for the company.

Quick and visible action demonstrated to employees that their voices were heard and heeded. While solutions to the broader issues were being digested and explored, some simple wins helped get employees' attention, such as relaxed meeting attire, the re-introduction of team building activities and the increased opportunities to telecommute. These quick fixes were followed by tangible process improvements such as accelerating deployment of iPads to field reps. Other improvements such as reducing decision layers and revising a ride-along system for field sales helped to further show employees that they were valued and respected. This supplemented the increased leader com-

munications, improving transparency and trust in leadership.

Acceleration through Team Coaching

Concurrent with the listening sessions and initial survey, an ambitious series of Team Advantage™ programs (referred to as "games" because of the team bonding focus common to sports) were being conducted throughout the enterprise. Team Advantage™ is a 16-week team coaching process that accelerates team cohesiveness and performance by establishing team charters, setting an extraordinary but tangible business goal, coaching through breakdowns and team dynamics and celebrating success.

While all of Sanofi's strategic imperatives were positively influenced by the coaching initiative, the one most impacted was, "*Energize our People and Culture.*" Specifically, this included:

1. Enable employees to problem solve, innovate and continuously improve;
2. Build employees' change agility and energize the culture by simplifying processes and engaging employees; and
3. Raise the leadership capability and expectation across the organization to demonstrate the behaviors and values deemed critical to the company's success.

More than 60 Team Advantage™ games were conducted throughout the enterprise in the first year, directly impacting an estimated 25% of the workforce and indirectly impacting many more as energized teammates spread the word about the shifts they were making. While invigorating the participants, this coaching initiative helped employees build the skills to more effectively problem solve, work as a team toward innovative and far-reaching goals, and communicate and collaborate across work groups and departments. With a new

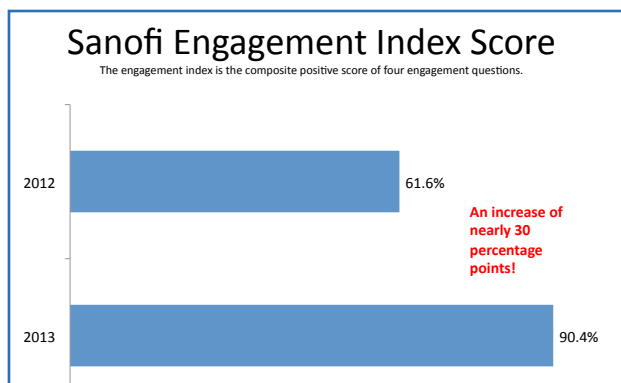
confidence gained by this positive experience and in a spirit of continuous improvement, employees spoke out to identify processes that needed to be simplified, revised or repurposed.

This experience, combined with the process changes and new leader visibility, had the effect of accelerating change because multiple teams were being equipped with the skills needed to achieve their aggressive business goals. Individual participants modeled the core competencies that were foundational to build the coaching skills for each team leader through the team coaching experience. This layering of experiential learning accelerated the desired organizational changes, which were confirmed by the second survey results.

Changing the Culture Changes the Game

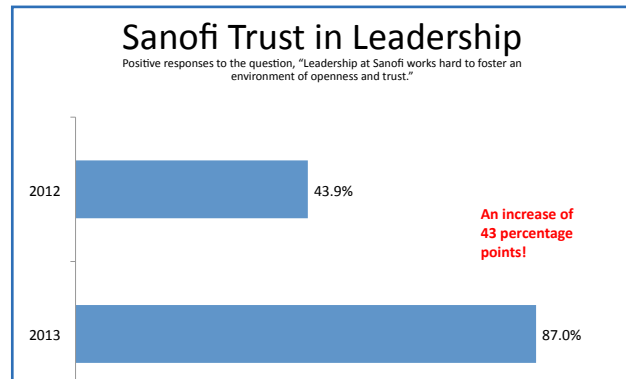
Wow! The results of the 2013 survey showed that significant improvements in company culture and core competencies were universal and accomplished in a remarkably short time. Specifically,

1. The overall engagement index moved from 61.6% positive in 2012 to 90.4% positive in 2013, an increase of nearly 30 percentage points.



2. Every work group measured in the survey – the overall employee population and 19 other work groups – increased its engagement scores.

3. The scores for all six of the high performance behaviors increased, and five of the six showed statistically positive improvement.
4. The greatest improvement in a single question targeting leadership and an environment of openness and trust increased from 43.9% to 87.0%, an increase of 43.1 percentage points in one year.



5. The tenor of survey comments showed substantial improvement. In 2012, only 14 (0.8%) of the 1,660 written comments were positive compared to 545 (56.4%) positive out of 966 comments the following year.

Improved positive scores in specific questions further reflected employees' newfound sense of personal accountability, expanded confidence in adverse situations, greater awareness of daily performance and strengthened emphasis on collaboration. Of the 27 engagement and behavior questions asked in both the 2012 and 2013 surveys, 26 questions had improved scores, and 18 of these 26 questions increased significantly.

As impressive as the survey results were, the number of employees who reported that they had personally participated in one or more change initiatives was equally notable. Of the 1,694 responses, 79.3% said that they had experienced a change agent interaction such as a listening session or Team Advantage™. The remarkable consistency

of responses and improvements over all of the company's functional areas reflects positively on the impact of these interventions.

What employees said in 2013:

"Our culture has turned around 180 degrees – thank you!"

"The change agents have done a tremendous job in bringing challenges forward to senior leadership, and then creating needed change."

"The transformations in attitude and morale between January and December 2012 were amazing!"

"I saw an enormous positive change in the environment and in attitudes, from the top down, when the change agents were brought on and the changes started to be implemented. I saw some good wins... constructive positive focus in performance reviews, new opportunities for growth and exposure and more transparency. I saw people starting to have fun again!"

Consider that typical commercial organizations are structured to reward superstars and motivate high performers by promoting internal competition. Then imagine the possibilities when this structure is turned inside out and replaced with a collaborative mindset of "everybody wins or nobody wins" as is promoted and taught in Team Advantage™. A new interpretation of winning is what the change agents offered, and that notion and commitment by leadership nurtured this cultural turnaround. When employees are given a voice, leadership is able to understand what is holding back high performance. Leaders can then systematically eliminate or minimize those barriers, and great things can happen.

The challenge going forward will be to sustain and grow this momentum. In a system prone to chaos in change, it is difficult to remain on a path

"Now is the time for (us all) to be change agents"

Employee comment, 2013 survey

of continuous improvement. But by developing each leader to become an agent of change, Sanofi has laid the groundwork for strong ongoing success and has become a place where people are engaged with their work and positive about their company's future.

About the Authors

DJ and Barry Mitsch are co-founders of The Pyramid Resource Group. DJ is a Master Certified Coach and Pyramid's project lead on the overall change initiative. Lynn Hays is the principal of Haysmar, Inc., a company that specializes in behavioral research.

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