



Kathryn van der Merwe, Group Executive, Talent and Culture at ANZ



Strategic CHRO

Conversations with leaders who are transforming the world of HR.

**"You Have To Be Thoughtful
About Your Company's Ability
to Absorb Change."**

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***Kathryn van der Merwe**, group executive for talent and culture at ANZ, shared smart insights on the art of driving transformation in our latest CHRO interview.*

Q. Your background is in consulting. How did you get into HR?

A. I've always been interested in people — what makes them tick, how we work, what motivates us, how you change behavior, etc. After getting a PhD in psychology, I moved into strategy consulting at Bain. In the early part of your career there, it's about being a generalist and learning about businesses and frameworks for solving problems and engaging with clients and helping them to drive change.

But toward the latter part of my career there, I was able to focus more on a passion of mine when Bain really leaned into an area called results delivery, which at its heart is about how, when we're clear on the changes that the client needs to make, do we make sure that they are able to drive meaningful and sustained change?

A lot of that comes down to people and making sure all leaders are aligned. The opportunity to move into this role at ANZ came from our CEO, who wanted to be bold and drive meaningful change at the bank. He wanted someone to partner with on that journey who was going to bring that transformation lens to the people agenda.

Q. Once you stepped into the role, what were the biggest surprises for you?

A. When I was a consultant and on the outside looking in, I was often struck by how hard it was for companies to keep things simple. When I joined ANZ, I said that there's a lot going on here, and we need to take some things off the agenda and focus and do fewer things and do them well. But once you're in the job, you realize that a lot of those things actually have to be happening.

"It's not so easy to just take those things off the table."

There's a number of reasons why you do need to be driving on multiple fronts at the same time, and it's not so easy to just take those things off the table. So for me, one insight has been about how hard it is to just keep things simple in a big organization, with around 40,000 people operating in more than 30 countries and with so many different stakeholders. Any change initiative has to take a lot of that into consideration. Trying to keep the solution simple in that context is hard.

Q. Many companies struggle with transformation efforts. Why is that?

A. A lot of it comes down to genuine buy-in and ownership and commitment that starts at the very top, and then creating that same level of engagement and alignment and understanding down through the

organization. It's about investing time so all leaders really understand the change that needs to happen – what we need to do, why we are doing it, and your role in helping the effort.

That's a big lever that is often overlooked. You can draw up the strategy in isolation and try to pump it out to the business, but spending the time to engage and have people understand it is really important.

Q. The need to drive transformation is constant, and yet human beings generally prefer things to stay the way they are.

A. It can be hard for people to adapt. It helps to come from a place of appreciating and understanding that any resistance isn't because people are trying to be difficult. It's that change is just hard and constant change is draining. You have to be thoughtful about your company's ability to absorb change.

In this Covid environment, there's been a lot of additional work we've had to do, so we've had to look long and hard at those wonderful initiatives that we had lined up and just say that now is not the right time, because people do not have the capacity to be absorbing everything. It's about respecting that human capacity and respecting that it's not something that you can work against because there comes a point where trying to do more is just not effective.

We've also tried to create lots of two-way channels for communication and opportunities for people to speak up and share their ideas for how we can improve. But that also creates a channel for people to give us

feedback of “Too much. Stop.” Because you’ve got to keep your ear to the ground for those things.

Q. I noticed that half of ANZ’s leadership team are women. Not something you see every day.

A. Yes, and it’s awesome. What’s great as well is that the women on the team hold really diverse roles, and our styles and contribution to the team are diverse, too. That really contributes to the richness of the discussion. The team also is a genuine mix of experienced bankers and people coming in with fresh eyes from other industries. When there’s enough diversity, you’re not fighting against a particular way of thinking. You’re all working together to find the way that it works for the team.

Q. What are the qualities that you’re really valuing at the company right now to build leaders of the future?

A. It’s been an interesting shift in recent years, in part because a number of the senior roles in the organization today didn’t exist three or four years ago. So we’re putting a greater emphasis on developing the sort of enterprise adaptive leaders who are able to take on the different and important new roles that are emerging.

Our most adaptive leaders have a set of qualities in their "kit bag" that they draw from to help lead effectively across a range of different situations, from managing through a crisis like Covid to building alignment around the strategy to having a rich conversation about

performance. The qualities we value most include being able to create shared clarity for others, empowering people to deliver on what is important and growing people through coaching and feedback conversations.

Q. I'd like to shift the conversation to you personally. What are some important influences that shaped who you are and how you lead today?

A. When I was quite young, my family faced some financial challenges. That was formative for me because from an early age, I was helping to support the family. And it also gave me the goal of being self-sufficient. It's really important to me to work and to work hard and do well.

Another formative thing for me was not getting a particular promotion on the timetable that I had set for myself. It was a powerful moment, because up until then, I had achieved a lot in school and in other roles, and it was probably the first meaningful setback for me.

"I often get feedback that I stay really calm under pressure."

It caused me to stop and wonder if I had become too obsessed about ticking the boxes to get promoted, and losing my focus on the work I was doing at the time, which was delivering great outcomes for the client. That realization actually helped me get my focus back on doing

great work.

I also deeply listened to feedback from others to help me understand my strengths but also what I needed to be really mindful about. For instance, I often get feedback that I stay really calm under pressure, and many people say they love that. But I've also come to understand that there's a bit of a downside to that strength, because people have said that I don't seem to have enough fire in my belly, that I'm not passionate enough, or that I don't look like I care about what I'm working on in the moment.

Though it hurt at the time to hear it, that's a really helpful insight. I've had to reconcile that feedback to know what I need to do to show that I am deeply passionate about something while also staying true and authentic to who I am.