

HR Forum 2009

Making Change Your Competitive Advantage

Here are two of the best known management insights: “The only constant is change” and “Most change initiatives (around 80% actually) fail or under-deliver”. Put them back to back and a terrifying thought springs in mind: “The only constant is failure through change!” And it does not have to be so.

First let’s agree that Change is not determined by size: it can be a major organizational restructure, a change of strategic focus, or something as simple as outsourcing an activity performed by a small team. In the last example the change is not even perceived as such by the organization but it is a huge one for the people involved and the impact of the failure depends on where this team stands in the value chain of this organization.

To increase their success rate, leaders could benefit from a few tips: Typically we try to “manage the change” and we forget that what we really need to do is to “*lead through change the people involved in it*”. Focusing on the people involved in, and impacted by the change, will get us around one of the main reasons which lead to failure or under-delivery of results:

The concerns of the people impacted by the change are not surfaced and/or addressed. Machiavelli was probably the first to recognize this: “Changes face the fierce opposition of those who know for sure what they will lose and only lukewarm support from those who might benefit in the future”.

People in general are not afraid of the change. They are afraid of losing control of their lives: The devil you know is better than the devil you don’t.

During the change life-cycle, people will experience the following predictable stages of concerns.

1. Information Concerns: What, Why, How fast?
2. Personal Concerns: How will it impact me?
3. Implementation Concerns: What if it does not work? Can we/I manage it?
4. Impact Concerns: Is it worth it? Will it make a difference?
5. Collaboration Concerns: Who else should be involved? How do we get them involved?
6. Refinement Concerns: How can we make it better?

To effectively address the concerns of their people, leaders need to implement an overarching strategy, throughout the change process, to ensure their people buy-in the change:

Expand Involvement & Influence – who plans the fight, does not fight the plan. This is not about “*finding* communication opportunities”; this is about *creating opportunities* to communicate with people, to get them involved and to give them an opportunity to be listened to and understood. This way they will feel they have participated in this beautiful influencing process called leadership! Beware: those not involved will find later the opportunities to demonstrate that they should have. Best case scenario: they will revert back to old behaviours and work processes when the pressure to change is off. Worst case: They may actively oppose or undermine every step of the change.

People leading the change think that announcing the change is the same as implementing it.

Announcing the new organisation and the names in each box is not the end of a long anticipated Organisational Change. It is just the beginning of a process that could have a happy or a not so happy end; it depends on how leaders deal with it! The following strategies could prove quite effective and normally work sequentially, addressing different needs of the people at different stages of the change.

To come out with one voice: Select & Align the Leadership Team

A single leader cannot bring about a change in any organization. A critical mass of followers is required for the change to gain momentum. This requires a strong leadership team, made of people that can influence other people, which is aligned and speaks with one voice to the larger organization. The expected outcome is a single, clear, compelling and inspiring message that minimizes confusion. Here leaders must give clear answers to the following questions and act accordingly:

- Who are the people WITHOUT whom I cannot proceed?
- Who are the people WITH whom I cannot proceed?

To provide Compelling Case for Change: Explain the Business Case

At this point in the change process, leaders must answer two main questions and build a rationale for the change:

- *“Why do we have to change?”* and
- *“What do we change to?”*

In doing so, leaders should be careful to focus on evolution not revolution. A revolutionary message can be perceived as an “accusation” that what was happening in the past was wrong. It is not sure that it was wrong, more likely it was perfect for the old environment and the old demands or opportunities. But the environment has changed, and new demands or opportunities (market forces, regulations, resources, technology, etc.) have now evolved. This way, leaders will be able to link the change to past successes. Still, they should expect some or a lot of resistance here. All changes demand extra effort, even temporary or permanent sacrifices from the people impacted. To overcome it and succeed, leaders need be clear about “where we are going” and flexible on “how to get there.” This brings us to the next strategy:

To inspire the people: Envision the Future

Creating a clear vision is essential for not only getting people on board with the change but also enabling them to see how they fit in the change process. It is indispensable for a leader to envision the future of the organization with the change. But it is not enough: they must help others see what they see. Remember, once people know *why* and *what*, they start having personal concerns: to confirm Machiavelli, they focus on what they are going to lose, not gain. An inspiring vision allows people to see themselves into the picture of the future and typically this is enough to lower their personal concerns.

To get involvement and collaboration across departments: Experiment & Ensure Alignment

By involving others in the planning process, you can anticipate obstacles with implementation and together create strategies to solve those problems. The plan should define, step-by-step, how the change will be implemented and what metrics will be used to measure progress and goal accomplishment. At this point, recognize it

is typical for a dip in performance as the change is introduced. Areas to pay attention to here include

- Defining how the success of the change will be measured (i.e., metrics)
- Providing the right resources
- Identifying who is accountable for what
- Planning for “quick wins”
- Accounting for what could go wrong
- Anticipating unintended consequences
- Create the infrastructure that is needed

At this stage of the change process, the change leadership team also wants to ensure that pilots are set up to identify and address implementation problems.

To develop new skills & commitment: Enable & Encourage

In every change there are new skills that people have to develop or new tasks that people have to perform. What used to be their strength could now be their weakness. Employees that used to be stars in the pre-change environment find themselves to be learners, and sometimes they are not enthusiastic but rather discouraged or demotivated. “Why me, why now?”

They need direction: somebody to tell and show them how to do things, evaluating their performance and redirecting their energy when they do not meet expectations. And at the same time they need support: somebody to listen to them, help them see how their experience and old skills will help them in the new situation, praise them for every little progress, share with them the big picture, keep reminding them “why”. This requires extra time from leaders, at exactly the time when they themselves have similar needs! This is something leaders should plan for, ahead of time. They may need external resources e.g. trainers, coaches etc. Sometimes the best coaches are the early adopters who participated in the pilots and have success stories to share with others. No one wants to perform poorly – especially during big organizational changes involving manpower reduction.

To establish accountability & get early results: Execute & Endorse

The key in this stage is accountability. Both leaders and employees must be held mutually accountable for implementing the change. Leaders must be measuring the impact of the change and share it with people, using the metrics and the language that people can understand. Feedback and respective praise or corrective action must be timely to be effective and motivating. Planning or even engineering early successes is essential.

If accountability is one key element in every change, there is another one for big organisational changes and this is “flexibility”. To be flexible without failing to deliver the “prize” of the change, leaders need have a clear understanding of what is negotiable and what is not. This is critical for the next strategy:

To extend reach & ensure sustainable results: Embed & Extend

What we aspire to is sustainable change. And because the name of the game in today’s environment is “improve faster than competition”, once the “prize” of the change is delivered, leaders should first make sure it is there for good and then look at ways for further improvement. Before launching into the new change effort, leaders should first turn the personal learning of those involved in the change, into “organisational” learning: Assess and Document

What Sets Effective Change Leadership Processes Apart?

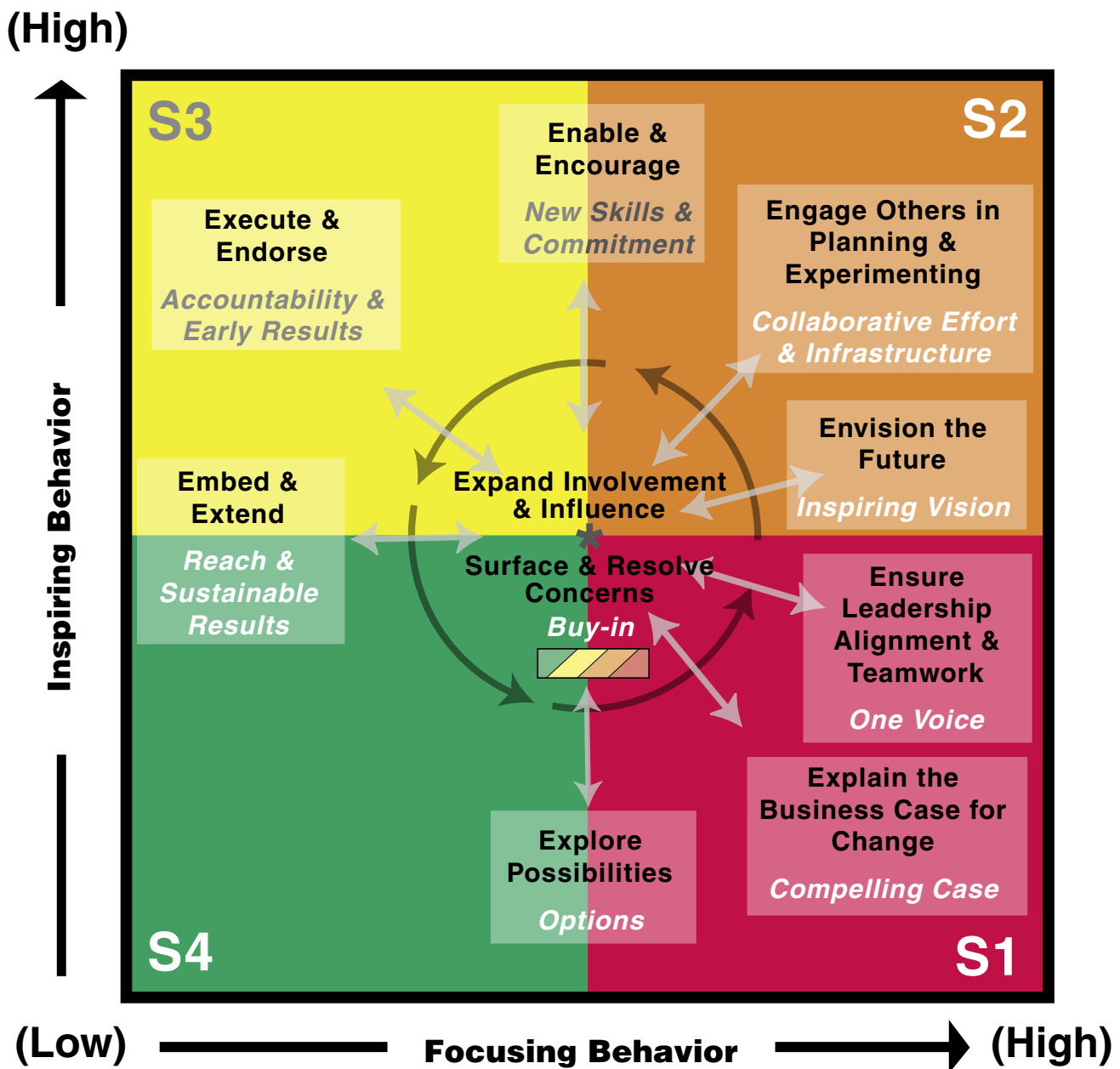
There are many change management models and methods on the market; many of them prescribe similar approaches to initiating and implementing change. The following are some guidelines to use when selecting a change management process.

1. Does the process diagnose before prescribing? Most change models prescribe a series of steps for leaders to follow in implementing change. But these strategies often fail to recognize that employees are going to be at different stages of concerns throughout a change process and need different leadership behaviours at a given point in time. For a change effort to succeed, employees need to feel that they can express their concerns and be heard. They need to feel that the people leading the change will consider their needs in planning the change.

2. Does the process expand involvement and influence as the key strategy to drive buy-in and commitment among those being asked to change? Most change models have a step in their change process that is labelled something like “Motivate Employees to Change”. Leaders are reminded to create a sense of urgency and to share why the change is needed from their perspective. In contrast, when leading people through change, it is important to help them draw their own conclusions about the need for change. People need to be involved from the very beginning—assessing the status quo, exploring options, building the business case, creating the vision of the future. Change should be done *with* people, not *to* people.

3. Is there appropriate time in upfront planning to ensure success? Experience has shown that most changes fail because they get off track early in the change process. For example—the change leadership team may not have included the right cross-section of people on the team. Or the organization did not share enough information to create a credible and compelling business case for the change. Most organizations do not take time to pilot, experiment with, or test-drive the changes. The pressure is so great to change that the problems with implementation are not worked out before the change is rolled out to a larger audience. Spending enough time to get the change off to a good start will ultimately save time, increase buy-in, and increase performance. Investing in people and pilots at the front-end of the change process minimizes headaches and the need for rework on the back-end.

Leading Change



STAGES OF CONCERN

