

# Change Is a Given: Now What?

## Sum of All Fears

Economic turmoil. Credit freeze. Housing crisis. It seems every financial woe has hit business at once, leaving us in a frenzy, and not knowing what to expect next.

One thing is guaranteed: our businesses will change. Restructuring, downsizing, new go-to-market strategies – these are just some of the possible responses to the turbulent environment.

Over half of the leaders in an AchieveGlobal study agreed that “change capability is a company’s greatest competitive advantage.”

Yet, as we weather a global economic downturn, we should remember that, historically, up to 85 of 100 change efforts falter or fail. Next sobering question: Why would that rate improve because times are bad?

Here’s a brighter note. Our study found little support for inborn human resistance to change. “People aren’t stupid,” said a respondent. “They see how fast the world is moving. They feel it in their own lives.”

So what are the challenges of executing a coherent response to tectonic shifts in the macro-economy?

Our study of 400 successful change leaders in seven countries found change today to be far-reaching, overlapping, and open-ended. Real change, these leaders said, takes more than a process or series of projects. It takes a change-capable culture, from C-suite to shop floor, to overcome these challenges:

- **Failure to tell.** Focused on the big picture, executives may fail to tell employees what they need to know. Said one respondent, “Messages at the vision level have no impact on day-to-day activity.”
- **Failure to listen.** While workers are well-qualified to offer improvements, said a U.K. leader, “senior management don’t listen to frontline staff. They listen to consultants who know little or nothing of our operations” – and who may fail to leverage this in-house resource.
- **Hell hath no fury.** A mid-manager scorned rarely buys into a change. If they feel ignored, “middle managers think they can wait out the CEO and not change,” said one respondent. At the very least, this behavior deflates employee morale and effort.
- **Blizzard of irrelevance.** Every living change breathes timely data. Still,



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number-crunching alone won't give people what they need to move forward. More to the point, it distracts leaders from the critical human aspects of change.

## Wisdom of the 400

The seasoned leaders in our study, from a cross-section of industries, offered this summary advice:

- **Rethink the rules.** Every big change requires leaders to re-align systems with goals. “We consolidated processes across departments,” said one manager. Said another, “We added reps, which improved customer satisfaction and retention.”
- **Beware of change fatigue.** One change after another can leave employees disengaged – even hostile. To reduce this problem, executives continue to clarify new expectations. One leader, for example, “went to a matrix organization. Key directors now report directly to corporate.”
- **Keep the numbers simple.** People need to know how they're doing – in terms they understand. “We're making processes understandable,” said a manager. Another respondent said her global company selected simple metrics “from different cultures, to bring us together.”
- **Communicate often.** With their evolving questions, employees need a stream of information about any major change. Many, many respondents advised “communication at all levels,” “constant communication with employees,” “consistent communication of the goal,” and so on.
- **Encourage people to speak up.** A chance to talk about change not only surfaces concerns, it “brings greater creative force and energy,” said one leader. In contrast, “employees whose ideas were shot down by previous management only wanted to stay with the tried and true.”

- **Address the mundane reality of change.** More to do, less time to do it, and peripheral tasks can weigh down progress. A manager described his response: “With a budget reduction we had to be more efficient with resources. This was only possible by reducing everyone's workload.”
- **Demonstrate commitment.** People watch executives to decide how serious the organization is about change. Initiatives tend to succeed, in the words of a respondent, when “executives express, model, and reinforce the need for change.”

## Practice, Practice, Practice

Reviewing our data, we began to see the engine of change not in a process, but in the sum of behaviors – in precisely 10 leadership practices that build change capability:

### 1. Expand awareness of business realities.

“You need to let employees in on what you're worried or excited about,” said a respondent, exactly on point. “That's the basis for everything else that happens.”

**2. Spotlight strengths and successes.** Instead of focusing on the few who resist, seasoned leaders showcase the people who support a change. “If you let it,” said one, “success will speak for itself.”

**3. Embrace experimentation.** Anyone can learn a complex new activity – if he or she can learn from mistakes. Leaders build confidence as they help employees draw lessons from small-scale tests.

### 4. Encourage meaningful involvement.

You measure overall change capability in the quality of individual contributions. Leaders must decide who to involve, when, and how to leverage their unique talents and aspirations.

### 5. Provide information others need.

Information, and explanation, mitigate the shock of change. “The VP related the change to everything,” said a manager. “We needed to know it was the right direction.”

To promote change capability, executives must promote the reasons for change.

**6. Encourage candid feedback.** In direct dialogue, leaders find out what employees think and feel. But sincerity is vital: “People can tell if you’re really interested or just want their buy-in.”

**7. Make progress clear to all.** Effective change leaders develop the simple metrics needed for course correction, and provide opportunities for people to say what’s working and what’s not.

**8. Coordinate resources.** As needs evolve during a change, re-negotiating and redirecting scarce resources is critical to progress and morale. People know when a leader fails to support them.

**9. Revisit systems, practices, and policies.** People seek security by reverting to established processes – a serious issue if the past undercuts the future. Change leaders adjust or remove any process that slows progress.

**10. Respond to resistance.** Over time, showcasing success helps to reduce resistance. Still, change leaders attend to early signs and address resistance with firmness and compassion.

## Landscape of Change

Executives, of course, establish the direction and climate for change – both with a decisive impact on outcomes. To frame the change and promote organizational change capability, our study found executives must communicate the reasons for change, as well as the risks and likely rewards.

Like managers, executives need to follow the 10 practices to promote change capability and coach their direct reports through more or less constant change. Said an HR leader, “Executives have to do more than make plans and track progress. They

need to live the change, so employees realize how important it is for the change to pay off.”

Taken together, our findings confirm a major shift in how organizations today are managing change:

- No longer do leaders expect long periods of stability; constant change is the new landscape.
- No longer is change linear or confined; leaders now wrestle with overlapping changes, stoking energy despite competing demands.
- No longer can leaders follow a standard process for every change; they must tailor each initiative to prevailing conditions.
- No longer can leaders earn widespread buy-in with the bare-bones business case; now they must create a deep sense of ownership in change.
- No longer can organizations rely solely on existing strengths; now they cultivate change capability in every employee.

While our study outlines a practice-based rather than a phased-based approach to change, its findings in fact support any established process. The study highlights key leadership practices that encourage individual involvement and multiply the impact of any phase approach.

## About AchieveGlobal

In the 21<sup>st</sup> century, the level of human skills will determine organization success. AchieveGlobal provides exceptional development in interpersonal business skills, giving companies the workforce they need for business results. Located in over 40 countries, we offer multi-language, learning-based solutions—globally, regionally, and locally.

We understand the competition you face. Your success depends on people who have the skills to handle the challenges beyond the reach of technology. We’re experts in developing these skills, and it’s these skills that turn your strategies into business success in the 21<sup>st</sup> century.

These are things technology can’t do. Think. Learn. Solve problems. Listen. Motivate. Explain. People with these skills have a bright future in the 21<sup>st</sup> century. AchieveGlobal prepares you for that world.

## About the Authors

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