

Creating a Change- Capable Workforce

By Linda Moran, Ph.D. and Chris Blauth



Developing the 21st
century workforce™

What has sustained us these first 12 decades will not be sufficient in the future.

– Coca-Cola CEO

Change as a central element in an organization's survival strategy needs little elaboration. Most organizations today are contemplating or implementing one or more change initiatives – whether incremental or radical – involving the whole organization or selected parts, conceived to block threats or seize opportunities.

Not even iconic brands like Coca-Cola can rest on their laurels. On the occasion of its 120th anniversary, the company's CEO said, "Today consumers invite us into their homes more than a billion times a day ... We understand, however, that what has sustained us these first 12 decades will not be sufficient for the future."

Whatever form these initiatives take, organizations have a lot riding on them, and they know it. In fact, well over half of the change leaders in a recent AchieveGlobal survey agreed that the ability to change is an organization's main competitive advantage.

Today's Most Common Change Initiatives

- Organization-wide restructuring
- Downsizing/changing job roles
- Radical strategic shifts
- Culture change
- Reengineering/business process redesign
- Technology upgrades/system improvements
- Mergers and/or acquisitions.

What's interesting, given this view, is how unsuccessful so many change initiatives are. According to some estimates, as many as 85 percent either fail completely or fall far short of their original promise.

Although leaders may cite people's "in-born resistance to change" to explain away failure, this excuse no longer carries the weight it once did. It is true that employees are much more disaffected and skeptical than they used to be—about almost everything. Still, nearly every employee these days can tell you that change is "the name of the game," "the only constant," or even in some cases "a primary competitive differentiator."

As one manager said in our survey, “People aren’t stupid. They see how fast the world is moving today. They feel it in their own lives. If they see that it makes sense to do things differently—and if they’re invited to participate—they’re more than willing to join in. They just need to know what to hang on to, and what to let go of.”

What are the new challenges for leaders?

To learn more about the realities of making change happen in the first years of the 21st century, AchieveGlobal gathered and analyzed today’s best thinking about how organizations can succeed. It then conducted an analysis of this thinking and from it designed a Web-hosted survey that explored key trends in greater detail.

The survey was completed by more than 400 change leaders at all organizational levels from a cross-section of industries in seven countries. To this data was added the individual experiences of AchieveGlobal consultants and facilitators who have helped thousands of organizations initiate and complete successful change initiatives over the years—with goals as diverse

as increasing sales, invigorating customer service, and improving leadership.

What emerges is a picture in which successful change is much more than a step-by-step methodology guided by special change agents, producing reams of data via a parallel change management infrastructure. Success is also, and often primarily, about tapping into each person’s ability to change—and from those abilities creating a change-capable culture involving everyone from executives to the frontline workers.

It turns out that most change initiatives today are so frequent, far-reaching, overlapping, open-ended, and deeply embedded in an organization’s daily operation that it’s extremely difficult to manage them successfully as discrete projects. At any one time, the same employee could be involved in adapting services to meet new customer demands, working on a newly formed team to cut operating costs, and learning the e-mail system of a new parent company.

Against this backdrop, it’s clear that the leaders today face daunting new challenges that call for a new understanding of change—and new skills for making it happen.

In the past, leaders ...	Today, leaders ...
– Counted on periods of stability between major changes.	– Face one change after another, or several at once.
– Assumed that change took time.	– Need quick wins to build momentum.
– Treated change as a process with a beginning, middle, and end.	– See constant change as the permanent business landscape.
– Saw change management as a specialized job.	– See change management as everyone’s job.
– Applied a similar approach to every initiative.	– Tailor an approach for every initiative.
– Saw change as linear, one phase after another.	– See change as non-linear, with multiple phases occurring at the same time.
– Gained support by communicating a clear business case.	– Gain support by communicating truths that have an impact on effort and emotions.
– Succeeded by delivering value to customers.	– Deliver value by responding quickly to threats and opportunities.

Don't expect the pace of change to slow down. Instead, expect constant changes, adjustments, and modifications.

Internal Impediments

At the same time, respondents underscored the forces that can block effective change:

Focus only on the strategic.

Executives can spend so much time on the strategic components of a change that they fail to communicate the message employees need to hear. In the words of one manager, “Most communication has been at the ‘vision’ and ‘strategy’ level. The impact on day-to-day activity has yet to be communicated effectively; therefore most people aren’t engaged.” In a related comment, an individual contributor identified the problem as “not explaining to employees what the change is going to be, how it is going to be done, how long it will take, but most of all, what do we, as employees, ‘gain’ from this change.”

Failure to listen to frontline employees.

It’s no secret that frontline employees are often best qualified to identify the operational changes that will produce the greatest improvement. Still, as one respondent in the U.K. complained, “Senior management are reluctant to listen to frontline staff’s opinions on how to improve the organization, and instead listen to consultants who know little or nothing of our organization’s operations.”

Lack of employee buy-in.

Failing to listen to employees can undermine their buy-in, which in turn can lead to employee resistance. In our experience, though, employees don’t resist change, per se. What they resist is feeling undervalued or excluded; trusting managers; and being told to change without being told why. “There’s a tendency for middle managers to think they can ‘wait out’ the CEO and therefore not change,” said one employee. Taken to extremes, this behavior can turn into overt efforts to sabotage a change initiative.

Getting lost in the data.

No change initiative can succeed without timely data about what’s going well and what isn’t. On the other hand, number crunching alone doesn’t necessarily yield useful information. More important, it can take time and energy away from thinking about the human aspects of a change.

Actions that make a positive difference

U. S. and international respondents in our survey agreed on several actions that support a change initiative:

Adjust rules, rewards, policies, and processes to promote the change.

In any organization, a single change can have a ripple effect. Sales organizations know, for example, that if they want to turn sales force order-takers into trusted advisors, they need to look at how salespeople are compensated. Here are some responses to these ripple effects noted by respondents:

- “We added head count so our outside reps could spend more time with each client, thus adding to our customer satisfaction and retention.”
- “We consolidated multiple processes into a single process across locations and departments.”
- “We streamlined the e-mail process to reduce confusion and unnecessary noise in the system.”

Create individual responsibility with clear expectations for behaviors and results.

To make change a reality, it’s not enough for departments or teams to have goals. Individuals need to know what’s expected of them. This need for clear expectations was underscored by several respondents when describing their change:

- “Ownership of responsibilities was made clearer.”
- “We increased accountability with more focus on strategy in decision-making.”
- “We are trying to assign major performance expectations to individual leaders in the organization. Without this ownership, important expectations will not be realized.”
- “We implemented a matrix organization where the key directors report directly to someone at corporate.”

Develop and distribute easily understood metrics and performance indicators.

Related to setting clear expectations for individual employees, this activity focuses on providing information that lets people know how they're doing. "We are trying to make processes more understandable by [the people who use them]," wrote one respondent. "We're trying to change the structure and clearly define all job functions to increase efficiency and decrease overlap," wrote another. Finally, a respondent said her international company adapted performance indicators "to incorporate the different work techniques from all different cultures to bring the whole company more together in its thinking and productivity."

Provide people with frequent, useful information about the change.

During any change, people have questions and concerns, even if they don't express them directly. So it's important to continually clarify what's happening. As one respondent said about his company's restructuring and staff reduction: "[We needed] to ensure current business processes were still maintained ... [This was] imperative for business continuity not only for external customers but from an internal employee perspective of clarity of roles and responsibilities."

Many, many respondents identified "communication" as key to their success, whether they described it as "constant communication with employees," "communication at all levels," "consistent communications of the goal," or "clearly communicating the change to all levels of the organization."

Encourage people to speak out about the change.

The research indicates that employees need frequent opportunities to express themselves about the change—to encourage their thinking and surface their fears and concerns. One respondent saw this activity in terms of creativity: "We were trying to bring a greater creative force and energy to the company. Many employees had had their creative ideas for growth shot down by previous management that only wanted to stay with tried and true initiatives."

Stay in tune with the realities of change (including workload, time commitments, and non-value-added work).

One of a leader's most important—and appreciated—activities during any change initiative is determining what work no longer needs to be done, or needs to be done in a different way. Employees whose managers are willing to adjust their workloads are much more likely to support a change, and the change itself is more likely to succeed. Two respondents spelled out what they did to promote the success of their initiatives:

- "With a reduction of budget, we were forced to become more efficient with the resources we had. This was only possible by reducing the current work load of all staff."
- "We eliminated online sales, curtailed domestic expansion of underperforming units, and curtailed expansion of foreign units with operational problems to solve."

Demonstrate commitment to make change happen.

It's inevitable that people look to the executive team to figure out just how serious the organization is about a change initiative. Several respondents in the survey singled out executive support as key to their organizations' success:

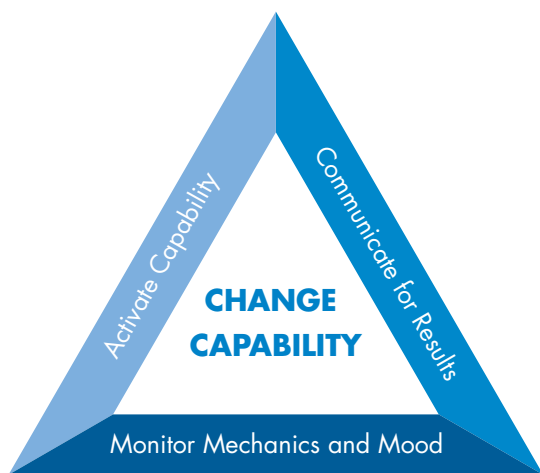
- "The top executives pushed this new culture and stressed its importance."
- "[There was] commitment at the top."
- "Executives expressed, modeled, and reinforced the need for change."

It comes down to 10 key practices

Many organizational activities can promote a successful change. But in a world where changes are frequent, overlapping, and deeply embedded in daily operations, how does an organization go beyond success with an isolated change to become permanently change-capable?

As we analyzed our primary and secondary research, reflecting on three decades of experience helping thousands of organizations to change, we found that the engine for change—the energy, drive, and willingness to change—lay not primarily in any change

methodology, but in the sum of leadership behaviors. We therefore identified 10 key practices that embody these behaviors—high-impact actions that separate success from mediocrity or failure. When leaders at every level apply these practices, their organization becomes change-capable.



Hallmarks of Activating Change

We arranged these recommended practices under the three “hallmarks” of a change-capable organization:

- Activate capability
- Communicate for results
- Monitor mechanics and mood

Under each hallmark, we grouped several practices corresponding to activities that survey respondents identified as needing improvement or as important to success.

Hallmarks of Activating Change

Hallmark 1: Activate capability

This hallmark encompasses leadership practices that tap into the ability to change that exists in every individual.

Expand awareness of business realities.

When leaders explain the realities driving a change, employees are more likely to embrace that change. A

vivid awareness of business realities helps employees see the need for change, reduces resistance, builds ownership, communicates urgency, and motivates focused effort. In other words, as one manager put it, “Managers need to let employees in on what they’re worried or excited about. It’s the basis for everything that happens.”

Spotlight strengths and successes.

Instead of spending all their time getting a few individuals to buy into a change, leaders gain more traction by leveraging individuals and activities that support the change: early adopters, current successes, and the relevant strengths of every team member. This counterintuitive approach generates confidence and momentum, and defuses pessimism, building capacity for larger-scale change. “Success will speak for itself if you let it,” as one respondent indicated.

Embrace experimentation.

Effective change leaders assume that everyone can learn new and complex activities, even if they don’t succeed immediately. Helping people learn from their mistakes fosters an environment that embraces experimentation. As leaders encourage learning and innovation, they build employee confidence and commitment to change.

Encourage meaningful involvement.

The key word here is “meaningful”—involving individuals in ways that leverage their unique abilities and aspirations, thus building overall change capability. Involvement for its own sake can backfire in delayed decisions (too many people), disillusioned employees (“All they want is my buy-in”), or anger over wasted time (“I can’t get my other work done!”). Leaders need to think carefully about who to involve, when to involve them, and how to draw the best from each individual.

Hallmark 2: Communicate for results

To reduce the ambiguity of change, effective leaders fill information gaps and use dialogue to generate energy and momentum. Communicating well requires two practices, which together promote collaborative effort and acceptance of the change.

Provide information others need.

Employees need timely, relevant information about the reasons for a change, its implementation, and its effect on individuals. Skilled leaders also take account of the emotional impact of change, showing sensitivity in every dimension of their messages. “The director took every opportunity to relate the change to almost everything we did,” according to one respondent. “It wasn’t overkill because we needed a lot of reassurance that we were headed in the right direction.”

Encourage candid feedback.

Besides providing practical information, change leaders gauge how employees understand and interpret that information. In direct dialogue, these leaders find out what employees really think and feel, promoting positive action, greater involvement, and desired results. But as one respondent pointed out, sincerity is fundamental: “You can always tell when a leader is really interested in what you have to say, versus going through the motions.”

Hallmark 3: Monitor mechanics and mood

With one change after another, “change fatigue” can leave employees feeling unfocused, unsupported, disengaged—or even hostile or resistant. By monitoring the details of implementation and the shifting emotions of employees, effective leaders can address logistical challenges and budding resistance to a change. These practices improve leadership credibility, which encourages trust and grows change capability in individuals and teams.

Make progress clear to all.

Change works best when the people involved share responsibility for daily activities and longer-term outcomes. To encourage that ownership, successful leaders develop and regularly publish simple measures that make progress clear and help others identify needed course corrections. These leaders give people easy access to information about change results, as well as frequent opportunities to discuss what’s working and what’s not.

Coordinate resources.

While resource allocation is nothing new, it’s especially vital during a change. Employees know when leaders

support or fail to support them. Effective change leaders exercise creativity in meeting these evolving needs—by renegotiating or modifying plans to redirect scarce resources.

Change is more than a process; it’s the normal environment in which all business now operates.

Revisit systems, practices, and policies.

In the uncertainty and confusion that change can stir up, people often seek security in existing structures or processes—a serious issue when they conflict with the new direction. Effective change leaders identify and adjust or remove established structures that slow progress.

Respond to resistance.

Leveraging the energy and strengths of employees who support change helps over time to reduce the frequency and impact of resistance. Effective leaders attend to early signs of resistance and take prompt action to address them with firmness and compassion.

Executives and individual contributors

Because change is everyone’s responsibility in an organization, these same hallmarks and practices apply not only to managers and supervisors, but, with some modification, to executives and individual contributors as well.

The executive’s role

Our secondary and primary research clearly identifies executives as the architects of organizational change. Since 70 percent of change initiatives originate in the executive suite or boardroom, top leaders not only establish the strategic direction, but also establish the climate for implementation, both of which have a decisive impact on outcomes.

For this reason, we identified a fourth hallmark and related practices exclusive to executives: Frame the change. To prepare the entire organization for a successful change—and promote long-term organizational change capability—executives must:

- Identify and communicate the business reasons for the change.
- Be candid about the risks and rewards involved.
- Lay out in broad terms what needs to happen by encouraging participation, identifying key tasks, setting timelines, and establishing a sense of urgency.

While these practices are the province of executives, they, no less than managers, need to demonstrate all the hallmarks and practices of change capability, as well as coach their direct reports through the peaks and valleys of more or less constant organizational change. As one HR leader pointed out in our survey, “To make change happen, executives have to do more than make plans and track progress. They need to get out of their offices so people can see them ‘living’ the change in everything they do. In the final analysis, that’s the only way employees will realize how important it is for the change to really pay off.”

Individual contributors

No change initiative can succeed long-term without the endorsement and participation of individual contributors. Because they’re close to the actual work of the organization, their knowledge and creativity in solving problems and getting things done are invaluable. Further, if they don’t feel committed to the change and motivated to get fully involved, they can slow down or thwart a change initiative.

That’s why managers and supervisors need to check in with them frequently: Do they understand the need for the change? Do they feel involved? Do they have the resources they need? Do they have opportunities to offer feedback about how the change is going—and is this feedback listened to?

New practices for a new landscape

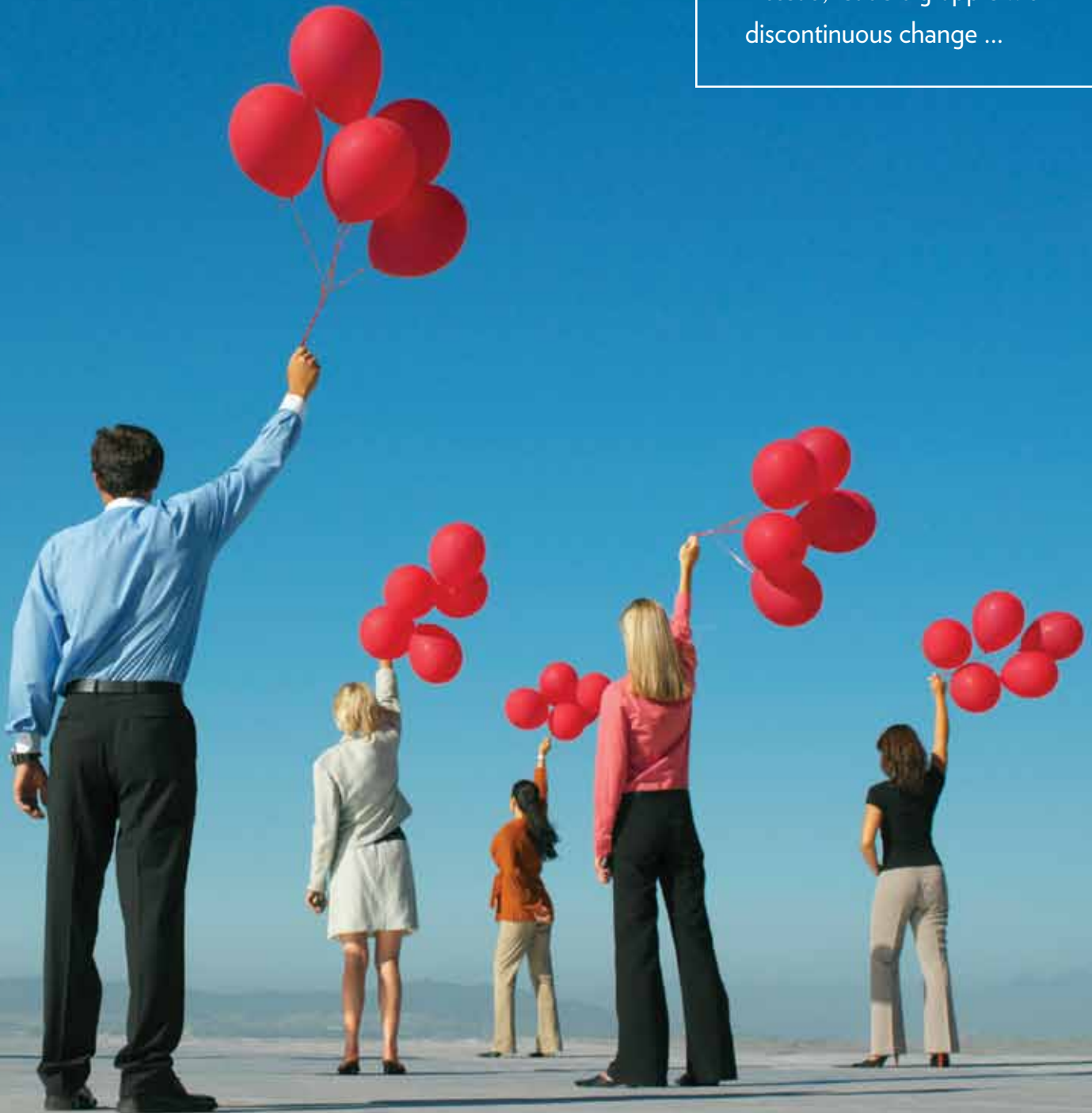
Taken together, our research findings confirm what appears to be a major shift in how organizations today are approaching change. As most leaders recognize, periods of stability are now the exception, not the norm, because constant change is the permanent business landscape. These leaders know that to succeed in this landscape they need quick wins to build momentum and achieve desired results. No longer

do change specialists alone oversee discrete change initiatives with a beginning, middle, and end. Instead, it’s a permanent part of every leader’s role not only to manage sometimes competing initiatives, but to build long-term change capability in every employee.

- No longer do effective leaders apply a standard approach to every initiative. Instead, they now assess the proposed change, the context of other changes in progress, and the readiness of the people involved—and tailor communication and implementation precisely to those circumstances.
- No longer is every change completely isolated or linear, one phase after another. Instead, leaders grapple with discontinuous change, applying resources and stoking energy to maintain momentum in the face of new directives and competing demands.
- No longer can leaders expect widespread support simply by articulating the bare-bones business case for change. Instead, these leaders build a sense of urgency, as well as a deep sense of ownership, throughout the organization, of both the day-to-day implementation and the ultimate outcomes of change.
- No longer can organizations rely solely on leveraging their existing strengths to deliver value to their customers. Instead, successful organizations now cultivate the ability in all employees—individual contributors, supervisors, managers, and executives—to respond quickly and effectively to emerging threats and opportunities.

While the recommendations emerging from our study represent a practice-based rather than a phased approach to change, the hallmarks and practices in reality support rather than conflict with any step-by-step change methodology. In fact, our study and resulting recommendations highlight specific ways that personal leadership promoting individual involvement can multiply the impact of almost any phase-based methodology.

No longer is every change completely isolated or linear, one phase after another. Instead, leaders grapple with discontinuous change ...



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About the Research

The AchieveGlobal Change Management Survey

The overall objective of the quantitative portion of the change management research was to explore the current change management landscape worldwide in order to determine the prevailing practices and attitudes toward managing organizational change today.

Specifically, the questionnaire was designed to answer the following questions:

- What does “Change Management” mean?
- What types of changes are organizations around the world implementing?
- What is important to a successful organizational change implementation?
- What challenges are organizations experiencing related to managing change?
- What are the points of view on change management?

The survey had a final sample size of 408, with respondents from around the globe in a cross-section of industries, including:

- Services
- Manufacturing
- Retail
- Financial/insurance
- Transportation
- Utilities
- Public administration
- Education
- Healthcare
- Government

About the Authors

Linda Moran, Ph.D. Linda is a recognized expert in large-scale organizational change, leadership development, and high-performance teams. She has more than 20 years of experience helping organizations with multi-cultural organizational change, designing team-based organizations, change management, customer loyalty, and executive development. Her recent AchieveGlobal clients have included Chanel, Federal Emergency Management Agency (FEMA), Novartis, Avalon Bay, PENNDOT, OCB, Navy MWR, Michelin, and Toyota. In addition to her consulting work, Linda is the co-author of several books on teams—including *Self-Directed Work Teams: The New American Challenge* in 1990 and *Beyond Teams: Building the Collaborative Organization* in 2003.

Chris Blauth. Chris is active in the research, development, testing, and marketing of AchieveGlobal’s leadership and sales training product systems. He was responsible for launching *Genuine Leadership*[®], AchieveGlobal’s flagship leadership training system, as well as Web-based reinforcements for *Professional Selling Skills*[®]. Chris holds a BS from the State University of New York at Buffalo and an MBA from Canisius College. He is a member of The Society for Human Resource Management (SHRM) and the American Management Association (AMA).

About AchieveGlobal

In the 21st 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 21st 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 21st century. AchieveGlobal prepares you for that world.



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