Mastering Your Relationship To Change

Keys To Organizational Success

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In these complex and challenging times our relationship with and receptivity to change can either retard or advance our efforts to build successful and effective organizations and to achieve our personal goals.

Indeed, each day we are asked to deal with a number of changes that issue from the volatility of our economic climate; the availability of capital; the size and nature of our competition; the development of new technologies and advances in science; the composition of the workforce and the rules that govern it; the way products and services are designed, executed, marketed and delivered, and the relationships that exist between our organization and its employees, customers and clients, shareholders, strategic allies and suppliers.

This is, of course, only a partial list of the factors that create change in our world. And frankly in my experience it does not matter whether you are in a start-up or a multi-national, in the public or private sector, the rate and amount of change today is unprecedented and if you look around I will bet that you will not have to look very far to see examples of organizations that seem to deal with change effectively and those who do not. I will also bet that this list divides easily into those organizations that succeed and even thrive in the face of this complex time and those who do not.

So which side of this list does your organization sit on? Does your organization have a culture that resists change or do the people in your organization look to cooperate with it? Do you anticipate it, explore alternate scenarios and implementation strategies or do you wait for change to happen and then try to play catch up. In short, do you view change as your adversary or your ally?

On the following pages, I offer you some thoughts and insights on change that I have gathered over the last 25 years working with some of the best organizations in the world and the people who lead them. This material also comes from my work with other colleagues and from various materials I have read. As is often the case, my work with in this field would not be possible were it not for others who have come before me and done terrific work in blazing new trails.

I hope you find this information valuable and trust that it will encourage you to learn more about this critical topic and explore ways that you can better integrate these and other suggestions on the change process into your organization culture. It will, I assure you, significantly improve your ability to succeed especially in these challenging times.

A Few Signs That Change Are Needed

Building a case for change within your organization is one of the first and most essential steps you can take. The following are a few of the factors that can assist you in deciding if change is needed. These factors can also help the rest of the organization to understand the benefit of befriending change.

While deficiencies in any of these areas requires immediate attention in the form of new policies, procedures, systems and/or personnel, in my experience deficiencies in several of these factors implies the need for a more in depth look at the some of your organization's fundamental objectives and operating strategies.

- Decreased customer focus
- Increased costs of final product or service
- Loss of speed in production or delivery
- Less innovation from people at all levels
- Attrition of key people
- Failure to attract new talent
- Inability and incapacity to act
- Loss of competitive advantage
- Inability to adapt to changing market needs
- Outdated technology

Types Of Change

There are different types of change. Each requires a different kind of organization strategy and timing. Some change is incremental or continuous, other change is more radical, even revolutionary in nature. Identifying the type of change desired or required and knowing the differences between them is critical to your organization's success.

- Strategic Change
- Structural Change
- Cultural Change
- New Technology Change
- Merger and Acquisition Change
- Breakup and Spin Off Change
- Downsizing and/or Expansion Change

A Few Basic Things To Understand About Change

Organizations contemplating a significant change process would be wise to carve the following set of rules about change above their entry doors and invite all of the members of their team to memorize them for they will be of enormous benefit at every stage of the change process, especially those that are particularly challenging.

- Change is always messy and generally more complicated than expected.
- Change involves stress, uncertainty and varying degrees of instability.
- Effective change takes careful planning, dogged persistence, patience, commitment, flexibility, time and money and some good outside support.
- No matter how thorough the planning, things never happen exactly the way one wants or at exactly the time one expects.
- Change models are theoretical. Real change is very personal and enormously political.
- Lasting change is cultural and not structural
- People have to find ways to keep doing what they are doing with excellence and focus while learning new skills, new ways of looking at and doing things for the future.
- Change is about power - who runs what and why and how they are compensated

The Most Important Question To Answer At All Levels

There is a single question that can help shape and guide the planning and execution of all elements of an effective and sustainable organizational change efforts:

- What's Going To Happen To Me?

When every man and women who is an important and needed part of the team can answer this question with confidence and enthusiasm, you can know that your organizational change process has a very good chance of succeeding.

Understanding The Relationship Between Power & Resistance

You will hear me say again and again that organizational change is a political process. I say this because change is really about power and about the fears and anxieties that arise around its projected loss or gain.

The reason this is important is that fears and anxieties about change are the primary source of resistance to it. Remembering this, working each aspect of the change process with this awareness, will save you and your organization lot of grief.

People are, after all, for the most part, concerned about power. About gaining it, losing it and using it. In every organization power is linked with job security, safety and above all with career opportunity. As a result there are both formal and informal networks within organizations that are sources of power. Since every organizational change, no matter how small, disturbs and redistributes power within and among these networks great care should be taken when making changes.

An essential ingredient in dealing with these networks is communication. So remember, during the change process, communication must be effective and effective communication involves not only content, but frequency, not only frequency but transparency and consistency. If your communication does not include these elements - if the process is not wide and inclusive enough - people will begin to use and abuse their power by resisting rather than supporting the change process. Predictably, this results in unproductive use of time and energy and, of course, it affects performance, productivity and profitability.

Valuable Steps In The Change Process.

My experience over the last 25 years in working with a broad range of clients in both the private and public sectors has helped me to identify critical steps that contribute substantially to the execution of effective, sustainable organizational change initiatives You can use these as a check list to help you organization commit to the success of this efforts. Leaders must:

- Clearly identify, understand and then model the desired change.
- Create symbols and language that clearly explain the desired change in the same way political campaigns do.
- Build support in key power groups and at all levels as early as possible.
- Develop and communicate as clear an image of the future state as soon as possible with as much of a business case as possible. It is okay if it is

vague and still in flux. Communicate this as well, it will invite participation.

- Define and communicate points of stability and continuity between current and future structures as soon as possible.
- Paint a picture of the future that creates dissatisfaction with the current state.
- Build in participation from all levels in planning and implementing change. People who participate have a sense of ownership. Participation builds understanding and all participants have good ideas.
- Allow and encourage mistakes by rewarding new behavior that supports change.
- Provide people time and opportunity to disengage from the old and sufficient support and training to practice the new.
- Develop transition strategies, structures, and where necessary management personnel.
- Collect, analyze and be responsive to feedback at every step of the way.

A Few Reasons Why Change Initiatives Sometimes Do Not Work

- Organizations view change as a product rather than an organic process.
- Organizations focus on changing the structure rather than changing the culture, its habits, beliefs and practices.
- Top executives abdicate their responsibility for personal commitment and involvement and try to delegate the leadership of change to others.
- Small numbers of people - sometimes the wrong ones - closet themselves in secrecy, hatch grand schemes and then unleash them upon an unprepared and uncooperative organization.
- Organization wide involvement and buy in is not included as an essential part of the reorganization effort and when it is, it is view as a cognitive experience for discussion rather than a practical, hands-on, experiential process.
- Organizations view the task (what) and the process (how), but forget the people (who)..
- The leadership seizes upon a particular set of strategic choices without generating full discussion of all the possible alternatives.
- Organizations make crucial decisions on the basis of incomplete and biased information.
- Organizations fail to provide exposure and adequate training in advance on the new competencies and skills needed to ensure effective and sustainable change.

- Organizations cling to the misguided hope that one magical concept - one silver bullet - will unlock the mysteries of organizational change.

Some Questions To Keep In Mind During Your Change Process

- How do you reshape your organization so that it can quickly and efficiently respond to constant shifts in today's business environment and demands of its customer in ways that sustain your competitive advantage and exploit your organization's innate competitive strengths?

- How does your organization stay continuously focused on tomorrow while not losing sight on what has to be done today?

- How does your organization introduce change into your culture without creating chaos, instability and paralysis?

A Whole System's Approach

I trust this information demonstrates the fact that organizational change initiatives succeeds best when they are not about finding a new or better structure, but instead recognize that a new structure is one of the positive results of a cultural change process.

To this end I encourage you to view the organizational change process as opportunity to evaluate the primary aspects of you current operating state and to lay down a foundation for even greater effectiveness and excellence in the future. In fact, it is my hope that you will use this opportunity to create a true learning organization that seeks first and foremost to align all aspects of the current organization on the fundamental ground of vision, values, core competencies and strategic goals.

This is best accomplished by identifying and eliminating belief systems as well as habituated practices and policies that impede and retard the execution of this vision. With learning as your organization's fundamental "product" or "service", you and your organizational team can then use the organizational change effort as an opportunity to revitalize, renew and refresh all aspects of the current operation while exploring the fertile ground of new opportunities.

In my experience, organizational change efforts succeed best when they include as many people from across the organization as possible. Each step of the change

process should therefore be artfully constructed and patiently and carefully executed to ensure that it stimulates input, encourages participation, quiets fears, introduces and models new core competencies and above all, orchestrates buy-in.

To this end we suggest you consider implementing a multi-faceted organizational change effort designed to:

Assist you organization to define itself so that it can more efficiently and profitably respond to demands of the market and its customer in ways that sustain its competitive advantage and capitalize on its strengths and resources; and

Build a strong, vision-driven, team-based environment in which effective communication, collaboration, cooperation, resource and information sharing and networking exist across all levels of the organization; and

Assist individuals at all levels to better understand and to demonstrate alignment with the organization's primary vision, core values, strategic objectives and norms of behavior; and

Create an atmosphere of effective problem solving where critical issues and barriers to organizational success are not only identified, clarified and reduced, but are viewed as opportunities for improvement; and

Enhance individual levels of accountability and responsibility for performance; and

Increase core competencies around personal and time management; and create a system for measuring the effectiveness of individual and team efforts in regard to organizational goals.

A Few Of Other Things To Consider:

1. Plan, Plan, Plan and Then Act Decisively

Great teams are not accidents of nature. They result from effort, commitment, patience, discipline, the investment of sufficient time, money and personnel resources and, above all, from creating and following a thorough and yet flexible plan.

As a result I recommend that your change process begin with a multiple day off-site for key members of the leadership team and key stakeholders

and influencers from other levels of your organization. This is primarily a team development and strategic planning off-site.

This two to three day off-site should occur as early in the process as possible and should assist the leadership to fully explore the various alternate scenarios, their implications, the timing, scope, and resources needed to accomplish first the internal reorganization and to prepare for the merger.

This off-site will provide the leadership with the opportunity to address some of the following questions:

- How do we increase quality and give better value to our customers?
- How do we maximize our competitive innovation?
- How do we reduce cycle time and shorten the period it takes us to respond to the needs of the market?
- How do we expand our scope without increasing the size of the organization?
- What places do we have to increase our size or augment our critical skills?
- How do we design, develop, produce and deliver our services more competitively?
- How do we make sure our employees are motivated and contribute in the face of uncertainty?
- How do we find that something that no one else can do and that can't be copied or mimicked easily or over time?

■ Understanding Where You Are As A Company

Pay attention to the inherent filters and biases of those who collect data. These filters dramatically effects the outcome.

Evaluate the forces in the environment that effect change: customers, competitors, suppliers, technological advances, regulatory agencies, local communities, strategic partners, etc.

Evaluate the tangible assets like capital, facilities, people as well as intangible assets such as creativity of people, customer image, etc.

Identifying Competitive Advantage

■ Resources

Intellectual Capital - The organization's collective wisdom.

Organizational Capabilities - The ability of Your organization people to collectively accomplish established goals.

Organizational Architecture - The structure, processes and systems that will allow an organization to exploit the collective wisdom, and capabilities that make it unique

■ Fit

- Make sure the new strategies fit the realities of the organization's resources and environments
- Make sure the strategy fits the formal structures, systems and processes.
- Make sure there is a fit among all of the internal components - the strategy, the work, the people, etc.

■ Team Fit- The Long Term Draft

In short who do you develop? How do you develop them? And what do you do with those folks who are of real value, but do not have the desire or the competencies needed for long term involvement?

■ Action Research & Organizational Analysis

Targeted action research can focus on data that will be of significant value during the planning off-site.   It will also serve the additional purpose of assisting the consulting staff in building better rapport with members of the Your organization Team and in getting a better

personal feel for the places of support and resistance within the organization.

■ Senior Team Assessment & Evaluation

An important part of the process of identifying those individuals in the current organization who are both desirous of and qualified to fill what will be the newly designed leadership roles, will involve the use of a an evaluation - assessment instrument. In addition to serving the immediate purpose described above, this assessment instrument will also lay the foundation for the work of executive coaching, core skill leadership, management and communications development that may be desired or necessary.

There are many excellent personality profile and assessment instruments available.

■ Executive Coaching

Based on the results of the 360 evaluation process, those senior executives who desire and/or require coaching support can receive it.

■ Additional Leadership and Management Training.

A number of leading graduate schools and special management schools around the country offer excellent short programs.

■ Grass Roots Efforts

Since it is abundantly clear that organizational change work is first and foremost cultural change work, success often requires the implementation of team development programs at all levels of an organization. In the case of Your organization this translates into work done with various parts of the organization . Based on our experience we recommend a multiple part model.

a. Outdoor experiential team building,

b. Productivity and self management Work

c. Electronic and Paper Based Training Support Program

- ■ An Effective Communication Strategy

  It is impossible to ever say enough about the value of strong, clear and effective communication in an organizational change effort. For this reason we strongly recommend the development of a comprehensive communications strategy as part of the overall organizational change plan. This strategy should include both formal and informal communications to be delivered in person as well as via written, electronic and, where appropriate, audio or video forms.

  This communications strategy will be part of the work begun at the planning off-site. It should also be revisited and updated throughout the change effort to ensure that all communications to the board, the staff, customers, suppliers and the public reflect consistent, aligned and appropriate information.

- ■ On Going Support

  In addition to the elements discussed above, the following organizational change elements are recommended:

  Periodic Strategy & Planning Session s For The Leadership Team
   Annual Team Development Experiences For All Departments
  Periodic off-sites with the customer
  Periodic off-sites with suppliers
  Periodic social events for employees and their families.

I trust this information will be helpful to you in evaluating a change initiative. It is intended for us as a working draft and check list for you internal discussions.

I f you would like more information or would like to discuss any of the elements presented here please contact us at www.agenation.com or call 505.982.5753

In the meantime I leave you with a two quotes that help to remind us of what we can do and why we do it:

"When love and skill work together, expect a miracle."
John Ruskin

"If you want to know the future, invent it."
Peter Drucker

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AgeNation and The Information and Training Company have come together to deliver the very best in strategic planning, process improvement, innovation, team and people development and communications skills. You can visit us on the web at www.agenation.com and www.TheInformationandTraining.com. You can also find out more about our CEO, George Cappannelli at www.georgecappannelli.com. For more information and a free consultation please call 505.982.5753