

Change or Perish: the Future Is Guaranteed to No One

By Stephen Long

You need a whole new way of thinking to keep ahead of changes and increased competition.

When you're through changing, you're through. —Bruce Barton

Ahh, consultants! — purveyors of ideas, concepts, and theoretical models. As I'm considered a member of this distinguished fraternity, I realize that at times we consultants create more problems than solutions. Take change, for example. Most clients want projects completed quickly at the lowest cost possible. Many consultants bow to this pressure by suggesting a massive re-engineering solution. *Just shuffle the organizational chart a little, apply a global matrix, adjust the IT system, and — voila! — you've got change!*

Well, not really. Simply rewriting job descriptions relies on simplistic solutions to complex problems. Revising formal roles is only a small part of transition and transformation. Lasting change occurs by altering the collective belief system through informal networks. It takes a skilled leader with an arsenal of tools to bring about true change.

Re-engineering creates the illusion of change, but often isn't handled correctly and produces anxiety and confusion. Typically, re-engineering fails to deal with the most important part of change — the human component.

In the past, change happened incrementally. Now, change occurs exponentially. Information replaces itself every 8-15 years. Entire industries will disappear and be replaced by others that we haven't even heard of yet. How many people had heard of the Internet in 1990? Whoever heard of "social media" 10 years ago?

Reactive managers will play catch-up at best. Proactive executives who master the skills of human nature will hold the power to lead successful change. It's not the car — it's the driver. It's not the system — it's the quarterback. Attach any sport analogy you want, the fact is someone has to make sure something gets done or you'll be just another fatality in the new economy. Up to 80% of all transformation efforts fail due to shortcuts in time and money — costing more time and money down the road, exposing the organization to greater risk than originally confronted.

Decide Why, When, & How to Make Changes

To keep up, you must enact moderate change at least once a year and major change every four to five years. You may need to make

changes to accomplish one or more of the following:

- Gain greater access to resources.
- Transform the organization's culture.
- Build strong teams.
- Plan for succession.
- Execute a new strategy.

While there's no single blueprint for change, you must address four fundamental questions:

1. What should you change? What needs to be different?
2. What should you change to? What's the ideal result?
3. How should you cause the change? Which change strategy (or strategies) should you use?
4. While creating the change, are you building resistance or enthusiasm? Change occurs more effectively when people are excited about it

“You must enact major change every four to five years.”

Create a Foundation for Change

Unless it's built on a firm foundation, any plan for change will fail. Effective leaders accomplish several objectives *before* they lead change:

- 1. Set the agenda.** Establish what needs to be done, who has to do it, and when it will be accomplished.
- 2. Build internal and external networks** of committed people to accomplish the agenda.
- 3. Provide strategies for success.** Identify what can be done within the limits of available resources.
- 4. Recognize the hard side of change.** The cost of change is related to two primary factors:
 - Duration — how long it will take to accomplish the change — will set the boundaries of your budget.
 - Competency — how effectively the change is implemented — is determined by the networks you build.

Don't Make These Mistakes when Change Is Needed

The biggest mistake executives make when initiating change is trying to do so without first establishing trust. They fail to earn trust in four ways:

1. They don't adequately explain why change is needed and how it will benefit everyone involved.

2. They don't show the reality of the situation over a long period. Executives who constantly cry "the sky is falling" are viewed as alarmists, and those who minimize the severity of challenges fail to energize people.

3. They look for the "perfect" strategy rather than developing a sound, appropriate plan and then taking action.

4. They don't help their employees develop change skills. Workers instinctively know that they require new skills to execute change and that robust, relevant training is imperative. They're frustrated when faced with challenges without the skills to meet them.

Another mistake is to underestimate the amount of communication needed during change. The total amount of communication received by the average employee is 2,300,000 impressions in three months. The number relating to a change initiative over three months is a mere 13,400 – less than 1% of the entire communication market share!

That's far less than what's necessary to overcome people's resistance to change. If you want a change initiative to be successful, be sure that messages about the change make up at least 20% of the communication each employee receives.

You can use e-mail, articles, speeches, and social media such as Twitter to discuss the change. But be aware that the most important communication of all isn't what you tell employees but what they say to one another. Identify the "early adapters" – members of your staff who are quickest to accept change. Pay special attention to them and the messages you give them. Nurturing your relationship with them is the best way to create organization-wide buy-in. What they say to others will have more impact than anything else you can do to promote change.

Be sure you don't ignore people's resistance to change. Understand that it's a natural human response. Resistance originates under two scenarios. First, if the change presents a *threat* to employees' primary needs, such as security and safety, they'll clutch on to old ways of doing things, no matter how persuasive the information is to change. Second, if employees are satisfied with the current situation, they'll resist change. *Satisfaction* creates stagnation. Change occurs only when people are dissatisfied with their current condition. Executives who spell out why employees should feel dissatisfied and create a vision of a better future are more likely to experience successful change.


Select a Change Strategy

Change initiatives based on flawed strategies have predictably flawed outcomes. The key to choosing a strategy is to determine the speed with which you'll accomplish the change. To do so, answer the six questions in Table 1.

Your answers to these questions will make it clear how quickly to make the change. If you want rapid change, you'll need the following conditions: low resistance, high trust, persuasive reasons, low stakes, few people involved, and a clear plan of action. The more that conditions vary from this ideal, the greater the likelihood that the change effort will bog down or fail. You must be willing to lengthen the time spent communicating about the change if conditions warrant.

The goal of your communication is to change people's behavior.

TABLE 1		
QUESTION	FASTER SPEED	SLOWER SPEED
1. How much resistance is anticipated?	Little	Much
2. To what degree does the workforce trust the executives leading the change?	A Lot	A Little
3. How valid is the information suggesting that change is needed?	Persuasive	Not Credible
4. What are the stakes involved?	Low	High
5. How many people are involved in the change?	Just a Few	Many
6. How clear is the plan of action?	Very clear	Not clearly defined

Behavior-changing techniques range along a continuum of employee empowerment. At one end are methods of coercion, manipulation, and negotiation. Using these approaches, change will occur faster, but it will be unstable and may not last. At the other end are education and facilitation. While these techniques take longer, they provide greater empowerment, which leads to more stable, enduring change. 

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WHICH CHANGE STRATEGY IS BEST FOR YOU?

For more details on selecting a change strategy and implementing it, see these *Nonprofit World* articles at NonprofitWorld.org/members:

Match Your Change Strategy to Your Organization's Maturity (Vol. 21, No. 5)

When It's Time for a Turnaround (Vol. 26, No. 2)

The Promise and Pitfalls of Organizational Change (Vol. 28, No. 4)

How to Improve the Process of Change: The Sanctuary Model (Vol. 28, No. 6)

Taking Action to Manage Change (Vol. 29, No. 1)

Organizational Culture: It's in the Walk, Not Just the Talk (Vol. 29, No. 6)