changeguides

Guiding Organizations Through Change

Building an Organizational Change Management Competency

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Building an Organizational Change Management Competency

The Challenge of Change

Customers are asking for it. Regulations are requiring it. Competition is demanding it. As companies try to gain or sustain a competitive advantage, they are constantly looking for ways to work faster, smarter and leaner. Whatever the reason, your organization is likely facing the challenges of change. A strategy that used to last 10 years might work for a year in today's environment. The title of a 2006 article in Fast Company called "Change or Die" summed it up for most organizations. The competition will sense complacency like sharks sense blood. If you are at rest, you are at risk.

But let's face it. The cards are stacked against us. Consistently, studies estimate that 70% of all change initiatives fall short of expectations. They find that "people issues" are primary hurdles to success: inability to lead, ineffective sponsorship and teams, management's inability to execute.

Managing Change Effectively

So what about the 30% that do meet expectations? These companies address more than process improvements, technology innovations and market forces. They address people issues as well. Companies good at change understand that goals are met through people. Trying to improve quality? Increase customer satisfaction? Lower costs? Improve processes? Innovate? It's the employees who impact quality of products and services, interact with customers, use resources and create new ideas. A plan is just a piece of paper if no one is willing to follow it, and a goal is just a number if no one cares about achieving it.

Companies successful at change have employees who are ready, willing and able for the change. Creating an environment of ready, willing and able employees takes work but it is not rocket science either. These companies recognize that resistance is a natural, expected part of any change and they work to address that resistance. It's human nature to

resist change. Some of us are open to new ideas. Some of us take a little longer. There are many reasons employees resist change: fear of the unknown, loss of control, and just plain old biology.

So how do successful companies create ready, willing and able employees? Employees are ready because of communication and involvement. Employees are ready when they understand why the status quo won't do. They understand why the change is necessary for the survival of the company. They understand it's a priority. Benchmarking, sharing data and company goals can help make the case for change. Why should employees care? Companies good at change also create temporary work groups and empower employees to make some of the decisions that will affect them.

Employees are willing when they are motivated to work in new ways. They're willing when their job has been redesigned and they see how it fits into the new plan.

They're willing when they are recognized and rewarded for adopting the new ways of working, not the old ways. And, when they are evaluated based on the new business goals and measures.

Employees are able when they have been educated and trained to support the new way of working. Are there ways to measure and track improvements? Do people have the tools and skills to work as a team to make the changes? Employees are able when the organization structure supports the business goals, whether it's working in teams or cross functional task forces.
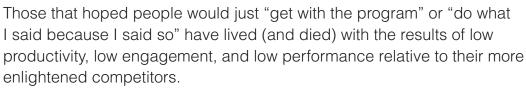
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The Evolving Need for Change Management

You don't need a lot of research to show you that change in organizations is an ever increasing phenomena. New technologies, new products, new competitors, new regulations, new people with new values and experiences. Every day, organizations try to stay one step ahead of their competitors by changing to meet the needs of their customers either cheaper or faster or both.

Not too long ago, many started recognizing that change within organizations needed to be proactively managed. Those that were forward-thinking started working explicitly to help the people in their organizations get ready, willing, and able to work in new ways that were required for future success.

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Those that hoped people would just "get with the program" or "do what I said because I said so" have lived (and died) with the results of low productivity, low engagement, and low performance relative to their more enlightened competitors.

For the organizations that have worked hard to manage the people aspects of change explicitly, the rewards have been forthcoming. But change is speeding up. As soon as one change is "complete", it seems another is starting up. Just paying attention to managing the people aspects of organizational change will not be good enough as time goes by. The organizations that thrive in the long term need to develop an organizational change competency. Change needs to become part of an organization's culture and DNA.

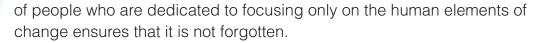## Build an Organizational Change Management Competency

Given the pace of business change today and in the future, building a change management competency is going to be a clear competitive advantage for organizations of the future. Organizations that are really good at helping their people move from thinking and acting in existing ways to thinking and acting in new ways that are required for the organization's success are the ones that are going to beat their competition every time.

For lots of years, organizations have viewed change as an event. Implementing an ERP system. Reengineering processes. Redesigning an organization. Spinning off a division or merging with another entity. Some have grinned and bared it just waiting for the pain to stop. Others have learned to muscle through with less pain, but memories that are less than fond. And still others have gotten pretty good at managing these kinds of change events.

Organizations range from having no change management focus or skill at all, to complete integration and competence in managing the people side of change.

What does it take to build an internal change management competency? Some organizations are building change management functions or centers of expertise (such as Motorola, Bristol-Myers Squibb, Merck, the Bill & Melinda Gates Foundation, and many many others). Having a team

of people who are dedicated to focusing only on the human elements of change ensures that it is not forgotten.

Other organizations are developing and adopting common tools and techniques that can be used across an organization to manage change. For example, Johnson & Johnson has their "Change Integration Process" and General Electric has their "Change Acceleration Process". The use of a common language and approach to manage the people aspects of change speeds up the process of managing change and instills a mindset that helping people navigate through change is important.

If you don't want to create your own model for managing the people aspects of change, then adopt one that's out there already that fits your organization's level of sophistication and experience. Start letting people in the organization know why managing change is important. The act alone of teaching staff about a change management process and tools sends a powerful signal to employees that the people part of change is important. And build the skills, tools, and common language to help people start doing the work.

Change management is the next frontier of business improvement for organizations of all sizes. Just as Six Sigma and Lean started with big companies and "trickled down" to smaller organizations and became a real competitive advantage for some, effectively managing ongoing change is starting to trickle down. If you can be ahead of the next guy by building an organization that is capable of managing people during change, you won't be sorry.

By Kate Nelson, Partner, Change Guides LLC, Reprinted from American Business Journals, 2012

For more information about organizational change management or building a change management competency, contact Change Guides at guides@changeguidesllc.com or visit www.changeguidesllc.com.

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