

“Transformational Change Made Easy”

No, not really – in fact we know leading [and participating in] a transformational change is exciting, but it can also be very difficult and exhausting. People resist change to their habits and beliefs. If you are an agent of change some people will avoid making the change, procrastinate to stay in their comfort zones and sometimes even attack you personally. Persevering to get the desired results, however, is worth it, and you will succeed if you apply proven change methods.

*Fact: Two out of three change initiatives fail. Why? Successful change requires not only commitment but also an **understanding** of the most effective methods of communication, coordination and competency and **applying** these proven change methods.*

1. Articulate the urgent and compelling reason for change.

What are the assumptions regarding the current situation that is driving the need to change? For systemic change a critical mass of people need to believe that remaining with the status quo is worse than the fear of an unknown future. Change guru, John Kotter defines the critical mass as 75% of the influential people. The first step in transformational change is to convince this critical mass that there is an urgent need to act.

Use facts and data to support a case for action:

- What is the problem with the current performance? Use data that shows that you are not meeting goals or that people are not satisfied to support performance problems. Find facts or incidents that illustrate the problem.
- What are the customer, competitive, political, economic, social, technological, legal/regulatory or environmental trends that are causing or will soon be causing a problem? Are any of these factors creating a major opportunity? Use information from market research or an environmental scan to support any of these external factors that provide the reason for change.
- Is anything happening within your organization that is causing a crisis or a major opportunity requiring change? Use facts or describe situations that illustrate these internal factors that provide the reason for change.

Experiencing a situation is more compelling than hearing facts and data. If you can get influential people to gain first hand, direct experience with the problem or opportunity, your ability to convince the critical mass of the case for action increases.

- Bring other leaders with you to the place where the problem occurs so they can see it.
- Have customers or clients speak directly to other leaders explaining the problem or opportunity.

Communicate the urgent and compelling reasons for change with as many other people and as frequently as possible to foster a shared understanding of the situation and its impact on the organization. This shared understanding is sometimes called a mental model.

- Develop a clear, succinct message of the case for action.
- Use strong, persuasive language supported with facts and data.
- Communicate this message consistently and frequently as you persuade the critical mass.

2. Create a vision for the future.

As people are convinced that the current state is no longer acceptable, they need to see what the future will look like and the benefits of that future state. When people are aligned on their vision for the future, a plan can be developed that coordinates the activities on the path towards that vision.

Developing an authentic, shared vision is an iterative process that begins with the same conversations when the urgent and compelling reasons for change are articulated.

- The vision process does not begin and end with the top management crafting a written vision statement and publishing it.
- While a leadership group may draft some bullet points for a vision statement, it comes alive when people throughout the organization engage in a dialogue.
- A strong vision for change should demonstrate why the new direction is the right one considering the current situation.
- To test if people are aligned on the vision, use pictorial language to describe outcomes and activities that occur in the future, as if watching a movie.

A vision that is either too complicated or too vague will be hard for people to grasp and, therefore, challenging for people to know if their day-to-day activities are aligned with the vision. The vision needs to be robust enough to be communicated in 30 seconds, 2 minutes or 10 minutes because that will be needed in different situations for different audiences.

3. Form a powerful guiding coalition to lead the change initiative.

A group of influential leaders that believe in the urgency of the need for change and are able to endorse it with words and actions will keep the change initiative progressing. This coalition of leaders works best when it is NOT part of the standard organizational hierarchy. Transformational change means doing things differently from how they are normally done. This is unlikely to happen if the change leadership is incorporated into the existing leadership process.

As organizations become less hierarchical than they have been historically, strictly top-down change initiatives tend to be less effective than ones that engage people at all levels of the organization.

A best practice is to formally charter a small team that is comprised of people who are respected and influential from various parts of the organization, including senior or executive leadership. For example, a team might include a couple of the top leaders, a person with direct customer contact, an operations manager and a communications expert. The key here is forming a team with power, leadership skills and knowledge to push the change process forward when the change resisters inevitably try to stop it or slow it down.

It is also best to have the leader of this sponsoring team be one of the senior executives rather than leader from an administrative function such as human resources or strategic planning. While these administrative functions may have an important role on the team, people in these positions are unlikely to have the authority to do whatever it takes to combat resistance to change.

The role of the sponsoring team is governance and securing resources, specifically managing:

- Progress reviews – Frequent reviews of project milestones and change activities, such as every two weeks for a complex project, allows problems to be identified before they have festered. The outcome of these reviews is adjustments to the plan and continued broad communication of progress.

- Team skill sets – Throughout the change process people in the organization will take on new activities and ad hoc teams will be formed. People selected for these roles usually need a different set of skills from people doing the standard, routine work of the organization. Valuable characteristics for these people include creative problem-solving skills, a results-orientation, the ability to tolerate ambiguity and risk, awareness of organizational politics, accepting responsibility and willingness to share credit.
- Commitment – The sponsoring team leads the visible, public commitment through its communication and actions. This cannot be overdone. While it may feel excessive to the leaders, a rule of thumb is to communicate three times more frequently than you think is needed.
- Effort – A transformational change project requires extra work for people. The level of resistance is directly proportional to the work required above their normal responsibilities. More than a 10% increase in workload for any individual is likely to cause a problem for the change effort. The sponsoring team can negotiate some regular work to be stopped, put on hold or outsourced to ensure change activities can be done. They can also contract some of the change activities to be outsourced or done with temporary workers.

4. Frequently and consistently communicate the vision and strategies.

To ensure coordinated activities of a transformational change communication is critical. Using every means of communication available increases the perceived importance of the changes. It also enables more people to hear the message and have it stick considering people's busy lives being constantly bombarded with other messages.

Formally communicating the vision:

- A consistent message can be told through different communication vehicles, such as organization-wide meetings, email, newsletters, speeches and opening words at routine meetings.
- Different words and stories can be used to convey a consistent message in a way that will resonate with different people in different circumstances.

Informally communicating the vision:

- Individuals throughout the organization can reiterate the vision and strategies during conversations with colleagues. This informal communication can be particularly impactful when it is done in association with an incident, activity or bit of news that supports an element in the case for action.

Actions can speak louder than words:

- Behaviors that illustrate the vision can strengthen these other communications. Likewise when leaders act in a way that is inconsistent with the vision it undermines that the communication effort.
- Individuals can amplify the impact of a person who does an activity or behavior that is part of the change plan by praising it in public and connecting to the vision or strategy.
- An individual can also by noticing activities or behaviors that are contrary to the vision and strategies and redirecting them to the desired activities or behaviors. When this is done publicly it is best done lightly or with humor to prevent unnecessary embarrassment.
- An individual can also influence positive change by demonstrating the new vision, strategies and values through their own consistent activities and behaviors. The more these are noticed and talked about by others, the greater the impact.

5. Develop and implement the action plan

The action plan is the set of tactical activities done over time that enable the organization to follow the strategies and achieve the change objectives and vision of the future.

Organizations have many approaches to developing action plans, primarily related to the existing culture of the organization.

- An entrepreneurial organization may document a few short term activities and assign owners, then every week or two check the progress and add a few more activities. This rolling plan is effective when the overall vision and change strategies are well understood and endorsed by all the people in the organization.
- The plan in an organization with a highly structured culture may have a long term, detailed project plan with multiple work streams and teams. The level of detail may be greater in the short term and the people assignments may change over time. This type of plan is effective when it is reviewed periodically and adapted based on lessons learned.
- Most plans fall on a continuum between these two extremes.

Resourcing the plan is almost always an issue. Organizations have limited resources, which means they need to either secure new resources for the change initiative or redistribute existing resources.

- While acquiring new resources sounds ideal, the cost and time of acquiring them may not fit with the urgency of the situation. Sometimes the provider of the new resources, such as a granting agency or angel investor, may want to adjust the vision and/or put additional requirements in the plan.
- If the sponsoring leaders have enough power, then they have the authority to rapidly redistribute resources towards the change plan. Necessary resources can be minimized by focusing on the areas most in need of change first. Creatively trading different types of resources across the organization can have unintended benefits beyond the change activities.

Explicitly addressing constraints to change should be built into the action plan. These obstacles are different for every project and can include organizational design, the way products and services are produced and delivered, people lacking the required skills, physical space and equipment, and many others. Mitigating these constraints requires open dialogue and creative problem solving.

Using the judo move to remove constraints:

- Ask people to list all the barriers and issues that will cause the change initiative to fail. Also have them list all the potential unintended consequences and risks of successfully achieving the future state. Consider what groups of people or existing projects may be negatively impacted by the change.
- Through dialogue and information gathering, seek alignment on those barriers and unintended consequences that are likely enough or potentially have a large enough impact that they are worth mitigating.
- Write the problem in a statement that is generally agreed-to.
- Apply the judo move by flipping the words of the statement around, rewriting it as a positive design statement.
- Working with knowledgeable people in the organization, develop creative solutions to achieve the positive design statement.

- Add these solutions to the action plan.

The best solutions to removing constraints are the simplest to execute. It's easier to adjust a person's roles and responsibilities or set up temporary team than to create a new organization structure or redesign the incentive compensation system.

Sometimes the best solutions for mitigating constraints require difficult leadership decisions. Resources may need to be re-allocated from other good projects. An individual may need to be terminated or moved to a different job. External allies may need to be called upon to influence or silence politically powerful resisters.

6. Create success stories to share.

Leverage the people who are most influential throughout the organization to motivate the broader organization. Story telling is a powerful method of communication. For transformational change you want to intentionally create quick wins in the most impactful places.

Power mapping:

- Who are the people in the organization with the most influence on others? These are the people whose names are mentioned and opinions quoted by others for the purpose of persuasion. These are the people who are surrounded and looked to for guidance when an unexpected incident occurs. They are not always the loudest person in every meeting. These are the informal leaders in the organization rather than the formal ones based on their position.
- By creating a map of these people on the organizational chart will often highlight the most efficient way to reach everyone in the organization. If these influential people act in ways that support the new vision, others will follow.

Design a quick win:

- Considering the reasons for change, select a few places in the organization that clearly experience the problem or opportunity AND would be able to quickly make a few changes that would lead to a visible performance improvement. This may be a small, nimble part of the organization that has the proven ability to act quickly. It may be the group that raised the initial awareness and is most motivated to act. It may be a group that requires very few additional resources to change.
- Look for the smallest and simplest projects that can be done to illustrate the benefits of the change.
- Match the organizational power map to the projects, and prioritize the projects by the easiest, quickest one that will be experienced by the most influential person.
- For authenticity and transparency, part of the scope and outcomes of the selected project should be creating a success story to be promoted as part of the change initiative. Many organizations call it a "pilot" and conduct a lessons learned session at the end.

After the project is successful the story needs to be communicated broadly throughout the organization over and over. The messaging needs to be explicitly placed in the context of the case for action, the vision and the strategies. Enlist the people involved, particularly the person identified as the key influencer, to share the story. If the people involved can be rewarded and publicly recognized by the sponsoring coalition, it will have greater impact.

Change initiatives that do not have a visible win within the first year tend to flounder.

While a formal quick win project designed by the leaders of a transformational change initiative, individuals throughout the organization can create and promote success stories as well. By identifying an opportunity that would illustrate the change initiative, an individual or group can informally communicate their story of success in the context of the change initiative. Identifying the most influential people in the organization and persuading them to join an opportunistic project is a way for a person without a formal leadership position to push the change.

With creativity, sometimes a person who appears to be a powerful change resistor can be converted into a powerful change supporter. The key to this conversion is finding the points where their personal interests are aligned with the specific project. When they see the success demonstrated in a way that benefits their area, they are likely to be more open to the broader vision.

7. Create momentum with more success stories.

By looking at the change process as a collection of small projects, the transformational aspect of the initiative is less daunting. An action plan that starts with the prioritized list of projects most likely for success including the most influential people will build momentum. This momentum will make it easier to secure the resources and get people to commit to the effort for the more difficult, more systemic changes later. Systemic changes include changing operational systems, policies and organizational structures that don't fit the vision.

Transformational change is not a linear progression. There are times it moves fast, times it appears to stop, times of frustration and times of celebration. A role of the sponsoring coalition is to manage the mood of people.

- Continue to explicitly support the change effort even when it appears to be locked in. Because people and organizations tend to revert to their comfort zone, the original behaviors before the change, declaring success too early can prevent the change from sticking.
- Make choices to hire, promote and develop people who have the potential to achieve the vision.
- Because change can be emotionally difficult, leaders should continuously express support and encouragement to individuals balancing optimism and realism.
- Step back and look at the big picture and also personally interact with people at all levels of the organization to assess what is working and what needs to be adjusted. There may be new obstacles that have appeared and need to be mitigated.
- Keep the pressure for change at a level for forward momentum, but not so high that people get frustrated and quit. A mix of humor, slowing down timelines and reiterating the vision can release pressure.

Communication remains critical at this stage:

- Continue communicating the success stories in a way that explicitly references that reasons for change, the vision and the strategies. As there are more success, the stories can be linked together to emphasize and highlight the strategies. As the strategies become more tangible, individuals will be able to see how they can make their own work align with the strategies.
- Public recognition and celebration of ongoing successes along with acknowledgment of the difficulty and pain of change keeps people motivated to work hard.

- Consolidate the outcomes of the discrete success stories to show their overall impact. Communicating the outcomes – both financial and non-financial – formally and at regular intervals begins to show the path towards the vision.

Organizations that are successfully able to make dramatic changes have leaders and individuals who take responsibility for managing themselves. Leaders are most effective when they can curb their own desire for control and self-importance. Change is broader when leaders are humble, flexible and give others a chance to develop solutions and stretch themselves with new activities, and potentially fail. Leaders and individuals are more resilient when they have an intentional support system to manage the psychological stress of change.

As the organization changes at different rates people will view situations differently. Some assumptions and short term goals will become misaligned. When people are stressed from change, they may exhibit less than ideal communication related to these misalignments. Specifically, people may make negative judgements about others' intentions in the form of personal attacks. In reality almost all conflicts among people are caused by people assuming different meanings of words or having different information. If one person says, "But we are already good at this." What do they mean by "this", what do they mean by "good" and what data is being used to support the opinion? When people are aware of the first reaction to judge another person's intent under stress, they can intentionally shift the conversation to clarify meaning and seek objective information.

8. Set the changes into the culture.

The final step of a transformational change is setting the change in the culture. Throughout the process people changed their behaviors, activities and processes. Unless these become habits, values and cultural norms the system is likely to revert to its previous state as soon as the intense focus is removed. This phenomena creates what cynics call the "program of the month" and statements such as "this too shall pass." There are several process that the change leaders can institute that will enable the changes to stick after the change leaders move on to another initiative.

Establish a continuous improvement process. Many organizations already have continuous improvement practices in some parts of the organization. These can be expanded to other parts of the organization and explicitly applied to the critical areas that were changed. Two common approaches are statistical data collection and reviewing lessons learned.

- The first is applied anywhere where measurements can be made to inputs, processes, outputs and outcomes. Data is collected at regular intervals and analyzed against targets. When the data is significantly different from the target, people look for a root cause to resolve.
- The second is typically conducted in a meeting after a project, event or distinct activity has been completed. People review the original goal and intended results and compare that to what actually occurred. They then discuss the reasons for what worked well, what didn't work well and why. Finally, they put together a set of actions that would be done next time to be provided to the next group of people doing a similar project.

Use incentives to reinforce the behavior changes. Typical incentives may take the form of rewards and recognition, incentive compensation and promotions. By formally building incentives into the organization's policies and practices that align with the new approach, desired behaviors will become habits and social norms. These organizational design changes are work best at this stage of locking in the new approach rather than at the beginning to motivate the change. They are perceived to be more authentic rather than manipulative.

Conduct a shared values exercise. The most effective approach is similar to the process used to develop a shared vision. While the leadership may draft some initial bullet points on the values related to this new future state, engaging people throughout the organization in dialogue helps set them into the culture. Leaders let the people shape the words and phrases of the values to make them meaningful rather than a list to be posted on a website. By listening rather than telling, the leaders can check if the change initiative has been successful. If the new values are not resonating throughout the organization, then more work needs to be done.

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