

## DRIVING CHANGE

# Driving change in your business

Taking an established business in a new direction can be a daunting prospect. Here, change and leadership expert **Michelle Gibbings** presents a step-by-step approach to making change happen

**THERE'S A** famous saying: "May you live in interesting times." There's debate as to its origin, but there's certainly no doubt that it applies today. Change is everywhere, impacting both large and small organizations. For leaders, this means they are leading in an environment that is often:

- **Ambiguous:** The environment in which they are working is uncertain and shifting, which can leave people questioning their roles and what they need to do.
- **Boundary-less:** Things are changing, and the normal boundaries of roles, organizations and work are altering.
- **Complex:** Problems are not predictable, nor are the solutions.
- **Disruptive:** People and organizations are constantly searching for the 'next big thing,' and the quest to be innovative is never-ending.

To survive and flourish in this environment, organizations need to master four key steps:

1. Build and implement a sustainable approach.
2. Know the landscape.
3. Develop leadership followship.
4. Maintain momentum.

## 1 Build and implement a sustainable approach

A 2013 Towers Watson study reinforced what other studies have shown – that the majority of organizations' change efforts fail. This is due to a number of factors, including a lack of leadership, the difficulty of sustaining momentum, and ineffective or absent mechanisms to support the change.

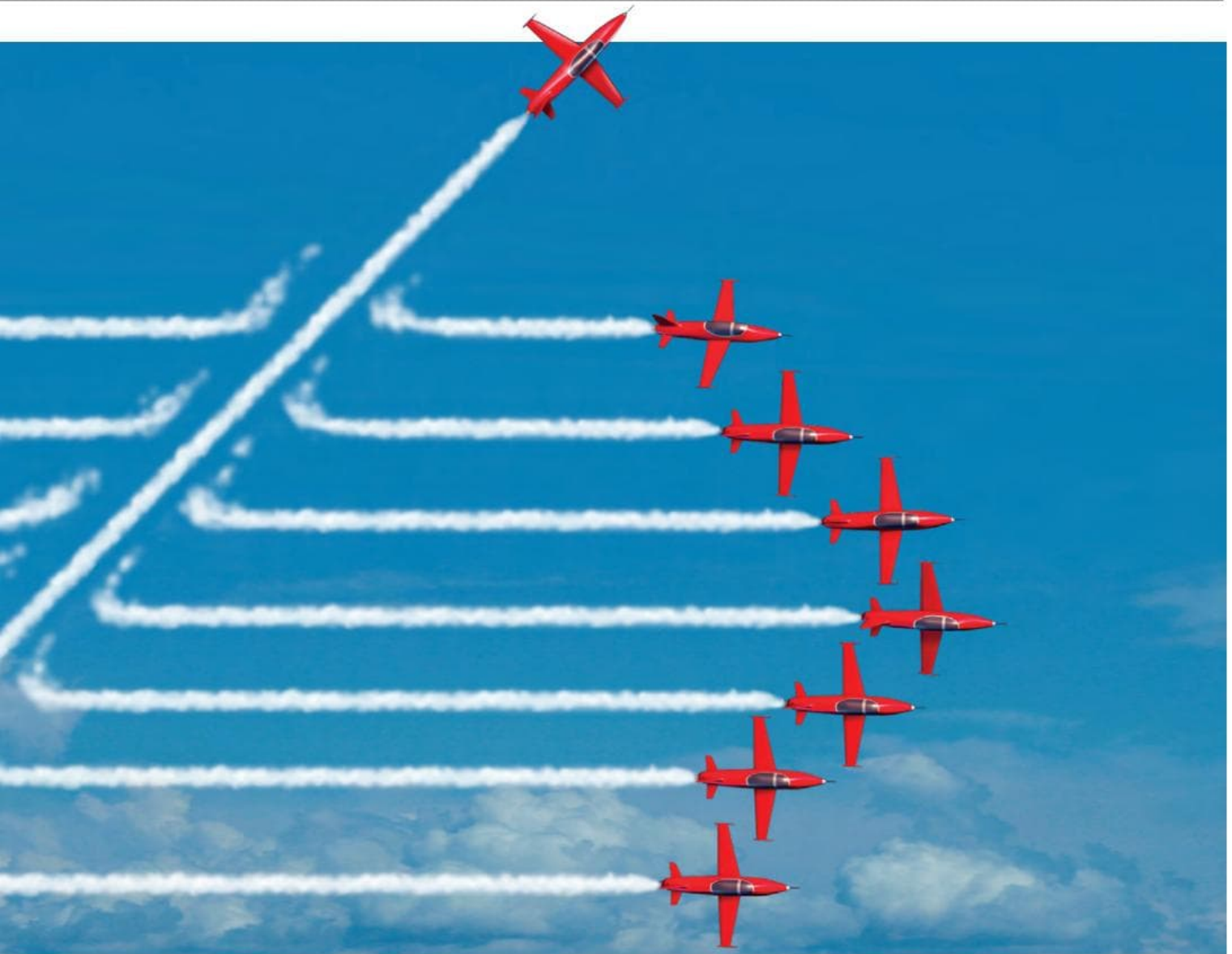
Many change efforts are started before the necessary planning and analysis takes place. For example, there's often no assessment of the organization's capacity to absorb the change, or understanding of the capability of impacted stakeholders to adopt the change. Instead, there are multiple change programs occurring at the same time, often impacting the same group of people.

This creates confusion, particularly when the implementation efforts are disconnected from each other. All the end user sees is a barrage of changes coming down the pipeline, but little information as to how the changes connect back to the organization's strategic agenda and what it means for them holistically.

Your organization needs to ensure its change approach is thoughtfully considered and executed. There are five elements to this:



- **Ensure strategic alignment.** This involves understanding what's driving the change. Are the factors external (such as new regulation or new entrants) or internal (such as a new CEO or productivity challenges)? Also be clear on where your organization wants to get to, and how this change connects and supports your organization's vision and strategic agenda.
- **Consider the options.** Develop and review the options available, and their potential risks and impacts. The options selected should have a clear benefits case. That way you can measure if the intended benefits of the change have been delivered.



- **Develop the plan.** Undertake the necessary planning to map out the steps that need to be taken to make the change happen. This is not about creating an inflexible plan; it's about having a strong sense of direction and clarity on the way ahead and what is needed for success.
- **Check the infrastructure.** Identify and ensure that the necessary infrastructure to implement the plan is available and in place. This involves architecting the way in which the change program is sequenced, monitored, governed and executed to account for the organization's capacity, capability and objectives.
- **Balance the people equation.** This is one of the most important elements, and it entails more than just communication and training. Helping people to cope with and thrive through change is most effective when it operates at a mindset, values and behavior level. This includes providing people with the personal and technical skills and tools to help them best operate in changing environments.
- **Ready:** Your organization knows where it wants to get to and has a plan for execution, with a logically and thoughtfully sequenced change roadmap. There are always unknowns with change, and it is impossible to plan for everything. Your organization can, however, ensure it is ready to be flexible and adaptive through the change. This way it can take advantage of opportunities and respond swiftly to issues as they arise.

**2 Know the landscape** Once the approach to the change has been outlined, it's a good idea to take stock and determine if your organization is ready, willing and able to change. This assessment

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## TAKING ACTION IN YOUR BROKERAGE



Go through the change checklist (opposite page) to ensure your ambitions are realistic



Identify who in your brokerage will support or resist change (especially if working in a partnership)



Define some goals that your changes will involve and ultimately achieve

- **Willing:** Your organization has effective leadership, and the roles and responsibilities of those involved in the change are clear. For example, there may be a sponsor who is accountable for the change and a project team helping to deliver the change. They need to know what roles they must play. So, too, do the leaders across your organization. Their accountability in leading the change can't be delegated to someone else.
- **Able:** Your organization has the capacity and capability to execute the change and is able to invest the resources to ensure that impacted stakeholders are well prepared for the change. Your organization needs to devote both financial and people resources to ensuring that those impacted by the change are not only able to cope with it, but also know what is expected of them and have the behavioral and technical skills to thrive through it.

If your organization doesn't meet all of these criteria, you need to do further work on designing and refining your change approach.

### 3 Develop leadership followship

Warren Buffett said that "a leader is someone who can get things done through other people." Leaders don't lead if there is no one following them. Leaders who can inspire and support those around them are essential in times of change, and this requires your organization's leaders to be able to build engaged and healthy teams – teams that, in turn, create a groundswell of support and movement toward the change.

In times of change, it is not just the team and individuals who need to change. To consciously lead change, leaders need to be prepared to change themselves – their mindsets, operating styles and leadership behavior. This is more than just pinpointing new technical skills. It's about delving into the meaning that drives your leaders' behavior and the mental models they are applying to the decisions they make.

One way to do this is for leaders to identify

their 'leadership moments of truth.' These are the actions that they take – often subconsciously – that define how their leadership style is viewed by colleagues, peers and team members. They include, for example:

- What they pay attention to
- What they prioritize
- How they react to issues and when things go wrong
- What they say, and what they do and don't do
- How they allocate resources and rewards, and recruit and promote

Red flags arise when a leader's behavior is inconsistent or if they are playing favorites with team members. Team members quickly notice when a leader says one thing and then does another. If leaders want followship, they need to create an environment in which people feel valued and that their opinions matter.

How leaders engage with, support, involve and communicate with their teams will determine if a change is landed safely or not. It's therefore critical to ensure that leaders at all hierarchical levels are equipped and motivated to lead their teams through change. This is critical, as the change needs to be driven by the leaders, and they need to have the confidence and accountability to take this on.

### 4 Maintain momentum

Harvard professor Rosabeth Moss Kanter talks about the trap of failing in the middle. In regard to getting change to happen, she says: "Everyone loves inspiring beginnings and happy endings; it is just the middles that involve hard work."

This is natural. As a change starts, challenges will inevitably be encountered. Unexpected obstacles and roadblocks will arise, making progress slower and more difficult than planned. What looked easy in the beginning seems much harder in the middle.

As reality hits home, leaders can become anxious and uncertain as they see momentum waning and milestones slipping. The team starts to question their ability to deliver, and

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teamwork starts to suffer as people look for someone to blame for the lack of progress. It is at this point that deliverables start to be de-scoped and activities reprioritized, and the project team is often restructured.

This is the time when change leadership really needs to come to the fore. Leaders have two options: They can lose their nerve, or they can confront the challenges head-on. If they choose the latter, they need to:

- Be clear on the project’s goals and what every person on the team needs to do to get there. Don’t get sidetracked by interesting but irrelevant matters.
- Ensure these goals are able to be delivered in a meaningful and relevant time frame so the team can show regular progress.
- Highlight the progress being made and ensure it is visible to every team member. Celebrate this progress in a way that is meaningful to each team member, and share this success with your stakeholders.
- Know where the leader’s and team’s efforts will produce the most effective results. This is the old 80/20 rule. Focus on where you know you will get results.
- Work to eliminate friction in the system that makes the change harder than it needs to be. This may involve removing bureaucratic processes and unnecessary activities.
- Make it safe to fail so the team is encouraged to try new things and new ways of working. Otherwise, the team will be discouraged from trying to find better and faster ways of achieving good results.

- Be open with the team about what is and isn’t working. Seek their input on how the team can work better to produce more effective results.

While it is hard battling through the ‘middle,’ bravery and tenacity will pay off.

### **5** The change checklist

- Compelling case**
  - Is the appetite for change enough to sustain your organization through the transition from current to new state?
  - Is the change linked to your organization’s strategy and mission so its purpose and rationale are clear to stakeholders and team members?
- Clear vision**
  - Is there a compelling vision of the future? How was this vision created and shared across your organization? Is it understood, and do team members buy into it?
- Leadership alignment**
  - How much time are your executive team and other leaders devoting to the change? Do they see leading the change as a core part of their role?
- Benefits realization**
  - Is there an agreed benefits realization framework and approach that helps ensure that the expected benefits from the change will be realized?
- Program governance and monitoring**
  - Is there an agreed way of monitoring and reporting on progress with the change?

- Process for change**
  - Is there an agreed-upon methodology or process for designing and implementing the change?
  - Is the change appropriately resourced with the right mix of skills, expertise and decision-making authority?
- Sequencing and integration**
  - Has your organization’s capacity to absorb the change been assessed? If necessary, have adjustments been made to implementation timings to ensure the best outcome?
- Maintaining momentum**
  - In what ways will momentum be sustained through the change, particularly during periods of difficulty (i.e. the ‘hard middles’)?
- Culture and communication**
  - Is your organization’s culture considered a critical aspect that can affect the success of the change? What culture changes are needed to support the change?
  - Will communication be frequent enough, targeted and two-way, enabling team members to provide feedback and contribute through the change process?
  - What level of experience do leaders have in coaching and guiding their teams through change?
- Empowering team members**
  - Do team members have the competencies, skills and tools to be able to change?
  - If not, what will be done to support and upskill them? How will they be involved in the change? **IB**

Michelle Gibbings is a change and leadership expert, founder of Change Meridian, and the author of *Step Up: How to Build Your Influence at Work*. She works with leaders and teams to help them accelerate progress.

