BUILDING THE BUSINESS CASE

ORGANIZATIONAL CHANGE MANAGEMENT FOR BUSINESS TRANSFORMATION

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Change Management for Business Transformation

Introduction

Business leaders are constantly looking for ways to improve productivity, streamline processes, and be able to meet current and future business needs. Most companies are transforming or need to transform to remain competitive, be more efficient, and position themselves for growth.

With change comes disruption, but even when it is positive, change can be difficult to manage. With proper organizational change management, disruptions can be minimized, and successful transformation can be achieved.

It is imperative to understand the what, the why, and the how behind the rationale for any change initiative for it to be successful.

WHAT IS ORGANIZATIONAL CHANGE MANAGEMENT?

When an organization begins a change initiative and employees are required to change the way they do their job, there is often an effect on the way in which people behave in the workplace. Organizational change management is designed to mitigate disruption and minimize negative outcomes. Proper change management bridges the technical and people sides of transformation. Change management is built on the three C's: communication, collaboration, and commitment. The aim is to guide employees to an understanding of the change and improve their ability to adapt to a new way of working.

Communication - Organizations need to explain the purpose of the change to their end users and connect it to the organization's values. It is important to communicate the "what" and the "why" behind a change as well as explain the benefits to create stronger buy-in and urgency for the change.

Collaboration - Bringing people together to plan and execute change is critical. Successful leaders work across boundaries, encourage employees to break out of their silos, and refuse to tolerate unhealthy competition. Including employees early in the decision-making process helps strengthen their commitment to change.

Commitment - Leaders must make sure their own beliefs and behaviors support the change. Change is difficult, but leaders who navigate it successfully show resilience and persistence and are willing to step outside their comfort zone. Unsuccessful leaders fail to adapt to challenges, express negativity, and are impatient with a lack of results.

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Change management, when positioned and planned correctly, helps mitigate failure rates. Companies that are highly effective at change management are three and a half times more likely to outperform industry peers[1].

Managers often ignore the emotional aspects of change because they don't believe they can measure emotion. Ironically, if the people side of change is not considered, an almost immediate dip into business disruption will take place. The goal of change management is to lessen the curve — to minimize business disruption enroute to the realized benefit of the change. It's highly unlikely that you will escape change without a dip, but this is one of those times when less is best.

Rapid Change and the Human Response

Change is inevitable and is occurring at an unprecedented pace. In the last year, the average employee experienced 10 planned enterprise changes[2]. From restructuring to achieve efficiencies, culture transformations to unlock new ways of working, or replacing legacy technology — changes large or small can have monumental impacts on an organization — it is critical that they be taken seriously.

"In the last year, the average employee experienced 10 planned enterprise changes."

There is one thing that is universally true: bad news does not get better with time. While a project may be positive in the long run, many employees view the change as a burden when it is first introduced or when rumors start to swirl. It is best to address any employee resistance early because the sooner people are aware of what to expect and the benefits accompanying the change, the quicker they are to adopt the change and the smoother the transition.

Four Steps for Building the Business Case for Change Management in Your Organization

1. Establish Costs. Almost all change brings disruption. Lay out what a lack of change management is costing your organization today.

2. Outline the benefits. Show how a properly managed transformation will make you more innovative, support informed-decisions, and be more effective.
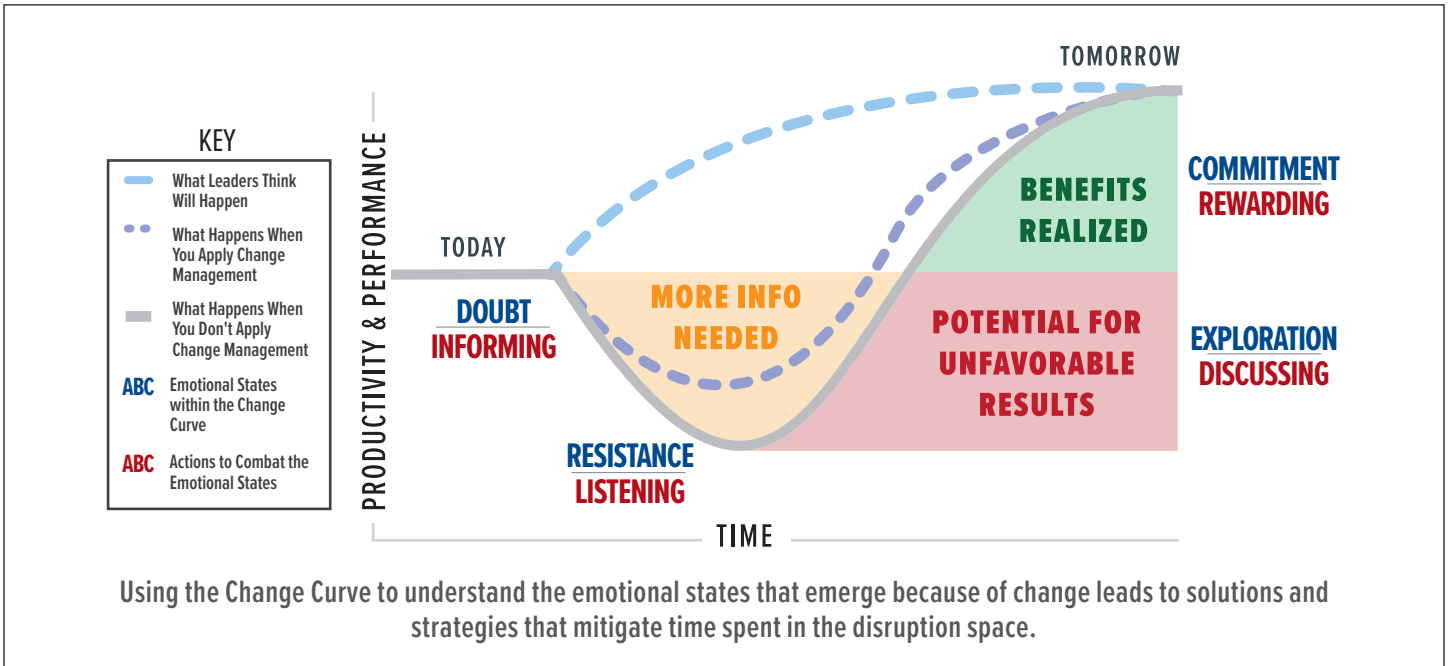
3. Determine what to measure and pick the metrics that matter. Data will show progress, where you are successful, and where you need to improve.

4. Make change work for you. Steps you take today will shape your future. Rather than leave your change to chance, show the plan for advancing your goals.

THE CHANGE CURVE

Using the Change Curve to understand the emotional states that emerge because of change leads to solutions and strategies that mitigate time spent in the disruption space.

Combatting the Emotional States of Change

Doubt - When doubt presents itself, it is important to provide the change details by informing employees of why the change is taking place and what it means to and for them. This can take the form of frequent written and verbal communications with stakeholders at all levels to show the benefit of new ways of working.

Resistance – To overcome resistance, you must listen to your people. You will be tempted to jump in and offer solutions to fix, but don't do this. Your job in these moments is to sit quietly and actively listen so that you understand your employees' perspective, fears, and anxieties about the proposed change.

Exploration - During the exploration phase, change leaders should encourage open and candid dialog with their teams. Employees should be given a platform to ask difficult questions to understand the risks, and to learn what the direct impact to their day-to-day work will be, and what, if any, mitigation strategies exist to tackle potential issues head-on. By considering these aspects, leaders and employees begin to ideate solutions and options for moving forward, together.

Commitment - As the phase of exploration ends, benefits may start to be realized, and once your team crosses that threshold, commitment sets in. Committed employees will adopt the change and help advocate it to others for even greater and earlier adoption across the organization. Be sure to reward successes and celebrate the accomplishments of your team.

Building Organizational Change Management into Company Culture

Projects typically fail to deliver expected results or benefits when the people side of change is not considered. Incorporating change into your company culture allows organizations to be more collaborative and ensures employee engagement early in the change process. This helps employees feel a part of the solution versus the organization just telling employees what to do. There are a few tactics that can help you start to incorporate change in your company culture:

Build change language into your organization's competencies, mission, and vision statements. Use terms like always learning, adaptable, and collaborative to encourage employees to work together and give them permission to learn from their mistakes. This will inspire employees to think about new ways of doing things, bring new ideas to the table, and improve the way they work.

Evaluate and prioritize change plans to ensure the changes align with your organization's long-term vision. Conducting alignment sessions can help confirm how everything fits together and builds a shared sense of purpose. Along with this, you must also provide rewards systems designed to promote change agents and those embracing the new behaviors and mindsets. A shared sense of purpose combined with shared values becomes a culture.

Establish change learning activities for different change roles in your organization. While everyone does not have the innate ability to lead others through change or even understand the importance of change for growth, organizations can take time to teach leadership how to sponsor change, people managers how to lead through change, and employees how to understand and accept change. This will reduce resistance and build acceptance and support.

Successfully Utilizing Organizational Change Management

Change management is not a "one-size-fits-all" solution. Every organization has unique business needs and goals that need to be addressed. This is important to keep in mind as challenges arise because each company will have a slightly different path to success. Encouraging people within the organization to remain open-minded and flexible is key.

As with most business decisions, cost is a factor. It is not necessary to hire a large number of consultants to implement successful change management strategies, and the cost of a strong change management program is lower than expenses incurred through project delays, budget overruns, loss of valued employees, decline in work quality and productivity, and new technology or processes failing to reach expected ROI.

Larger companies may benefit from bringing in a team of change management experts to partner with the project team to handle strategy for them, while other organizations may choose to leverage the help of experts to build an internal Change Management Center of Excellence.

Organizations of all sizes can benefit from building change capability internally. Leveraging existing resources to aid change management efforts can bring the tools, expertise, and competency required to thrive in a climate of ongoing change. The Avaap Change Academy ™ offers workshops for individuals to build their change capacity, become certified change leads, and leverage data to inform and navigate change.

Measuring Change

Leaders often ask, "How do I know my efforts to drive adoption are working?" The short answer is you can't manage what you don't measure. The longer answer is monitoring change readiness and measuring its impact in a structured, purposeful manner will help you better understand workforce readiness and where to take action, allocate resources to areas that will deliver the biggest return on investment, and identify potential challenges earlier to make mid-course corrections.

Data and analytics can add measurable value to change management initiatives by enabling trend visualization and turning spreadsheet data into actionable information. Change analytics adds another dimension to your change management strategy by arming your team with insights to drive metric-driven change management practices, recognizing the need for course corrections earlier, and highlighting progress updates.

From pulse surveys to change impact and stakeholder assessments, strong change management relies on information to inform decisions. It also contributes to a change management strategy that fits the organizational culture and specific project. Information collected is used to understand the people, reactions, attitudes, motivators, resistance, potential barriers, and influencers that will contribute to or impede successful transformation. Through information gathering, organization leaders can frame the complexity, size, scope, impact, and considerations of the project in context of the culture.

The benefits of change management are countless, yet measurable. Properly managing the impact of change on your people and processes can increase the likelihood of a successful change initiative and power your next transformation.

Building Your Knowledge, Skills, and Ability in Organizational Change

The Avaap Change Academy curriculum meets participants where they are by leveraging best practices and trending topics, all while delivering exceptional value through experiential learning to help navigate their change journey.

Exploring Change Management is designed for individuals going through change who want to understand the value of change management and build individual change capability.

Change in Practice instructs individuals to become certified change leaders by utilizing a proven methodology built on experience, to build successful change strategies, and plans and apply them to changes in their organization.

Both workshops are Qualified Education Provider™ (QEP™) certified by the Association of Change Management Professionals® (ACMP®), meaning these courses align with ACMP's Standard for Change Management© and adult education best practices. Completing Exploring Change Management and Change in Practice provides the 21+ training hours needed to be eligible for individuals seeking ACMP's Certified Change Management Professional™ (CCMP™) certification.

Explore all workshops available at avaap.com/change-academy.

References:

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