*Organizational Change Leadership Series*

# The People Imperative: Engaging Employees to Drive Strategic Business Initiatives

**Jesse Jacoby**
**Managing Director**
**Emergent**

# The People Imperative: Engaging Employees to Drive Strategic Business Initiatives

Many excellent change initiatives never get off the ground, stagnating just when they should be flowering. Why, after an enthusiastic start, do so many major change efforts—a new product rollout, international expansion, a new IT system—founder and organizations return to the pre-change state? It's because companies focus disproportionately on the structure and technical aspects of the initiative itself, and not on showing employees a "truth" that motivates them, at a very basic human level, to invest them in the change.

The most logical and well-designed strategy for change, if not centered on people, is doomed to remain just an elusive goal described by a distant management team. A successful change program links the logical—"here's a great new IT system that will enhance your productivity"—to the emotional: "Your team could spend all night tabulating this stack of paper. Or you can use the new database and be out by 6 p.m." Abandoned change strategies typically suffer from a lack of balance between the "analyze-think-act" side of the brain and the "see-feel-act" side of the brain.

Our approach recognizes that hard-nosed business decisions can be made more effectively, and executed far more smoothly, if human behavior is considered in equal measure with the strategy and operating model. In order to forge fundamental change in a complex organization, managers must focus on the human side of implementing change—what we call "**organizational change leadership**"—as much as the hard analytics behind the change.

### The Nature of Change

Changing the behavior of even one person -- that is, discontinuing unwanted behaviors and/or initiating new behaviors -- is a challenge. But large-scale change is something else altogether. Crafting a definition of organizational change is easy enough: moving collective behaviors from a current state to a future state—but it's extremely difficult to achieve. A major hurdle is adding new behaviors and dropping old habits concurrently. For many employees, particularly those who have mastered a set of tasks and take pride in this achievement, taking on a new role is a daunting prospect.

The stumbling blocks to effective change often reside early on in the project's setup phase. In many cases, management's strategic goals and grand visions are not aligned with the reality in the trenches. A human-focused change leadership approach encourages employee input when the change effort is still in the early planning phase. This is a critical period for gaining credibility within the wider organization, identifying pockets of potential resistance, and preparing employees for what lies ahead.

## The Change Team

Any large-scale change within an organization must be led by a team with credibility and authority to lead the effort. They must be well-connected and able to find "change vanguards" that can be trusted to spread the news of the benefits of change throughout the organization. And they must be able to achieve early wins to keep the momentum building until it reaches a crescendo.

The higher the leader of the change process is in the organization, the better chance the effort has of succeeding. If the owners of the change process are buried in the middle management, this signals that the change itself is not highly valued, reducing the chances of it succeeding. Some organizations are even tempted to "transplant" a team that performed well together on a past project into a situation where change is called for. While it might have been a good team for the prior project, a different kind of team is most likely needed for a major change effort: one that can manage a large project but that collectively possesses both business and people skills.

It is imperative to engage top management. We have found that some senior management teams believe that the responsibility for change resides with a second-tier executive. The reality is that any successful change effort must be initiated at the highest ranks of the organization, and any team assembled from there will have less trouble making the case for change and articulating the vision.

## Change Vanguards

To build an early group of believers—the "change vanguards"—bold decisions must be made to get potential vanguards to buy into the new system. Identifying new leaders who can bring changes to all corners of the organization is the central goal of creating change zealots. The newly minted change vanguard has, of course, become a convert, and this person—in a desire to succeed—is going to deliver the message as quickly and aggressively as possible. By getting previously uncommitted people throughout the organization to buy into the project early, momentum builds that can result in everyone in the organization jumping on board the change wagon. The role of the change vanguard includes:

- Supporting the vision
- Cascading communications
- Spreading the word of "early wins"
- Isolating pockets of resisters and cynics

## Communicating the Change

Having a consistent message across the organization is crucial to final acceptance of the change. But consistent messaging does not mean conventional messaging. Telling a good story, any good comedian or author will say, is about "showing," not "telling." To tell is simply to talk at someone. Some people will accept what they are told and act on it; others won't. Even those who internalize directives most likely won't identify on a gut level.

The idea behind "show, don't tell" applies to large-scale change efforts as well. Describing a new goal in "corporate speak"—the epitome of telling—is not likely to motivate employees. E-mails, phone messages, or a corporate newsletter article announcing a new initiative are different forms of telling. While these forms of communication likely don't hurt, they don't help much either. Showing the benefits of change, rather than telling employees about the benefits of change, can make the difference between

success and failure. Illustrating the new path in a way that resonates with employees viscerally ("see-feel-act") is likely to drive home the message.

But it takes creativity, confidence, and keen knowledge of the organization for a change leader to deliver a winning change message using unconventional techniques. Examples of showing, not telling include:

- The dramatic: The purchasing manager who dumps out more than 300 different types of work gloves (at different prices from varied suppliers) on a table to illustrate procurement inefficiency
- The counterintuitive: The automotive plant manager who one day simply stops production completely, challenging assembly crews to come up with a better way of building a vehicle
- The bold statement: A company demolishes the swanky executive floor (but keeps the executives!) in a time of cost-cutting, in order to build faith in senior management

## Creating a Sense of Urgency

With no urgency, a change effort cannot overcome institutionalized roadblocks. Employees can connect to the logic behind a merger or a new expense-tracking system, but to really sustain urgency and enthusiasm and avoid the dreaded stagnation that can kill a change initiative, it's crucial to keep accumulating small wins. The wins can be anything: getting a crucial department on board with the change, seeing a positive article in the media about the new organization, acquiring a new key client. Exhibit A illustrates the unpredictable nature of change. It also shows how there is often a reaction against change about two-thirds of the way to success.

*Exhibit A: The Lifecycle of Most Transformation Initiatives*
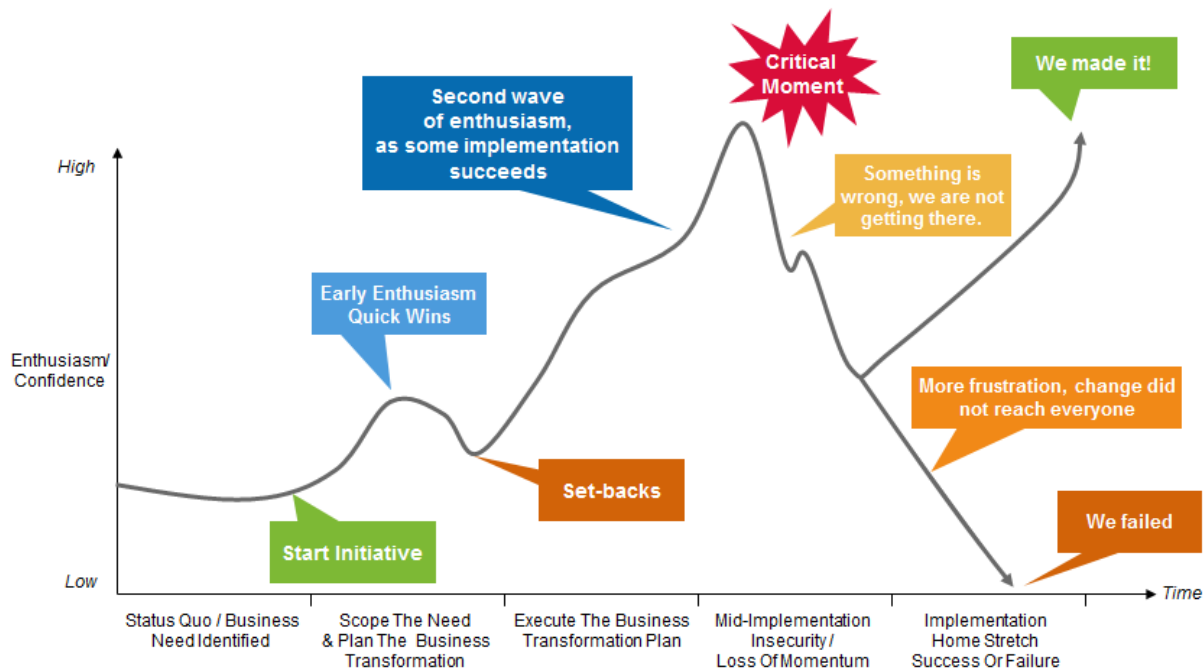


Early on, the enthusiasm for a new initiative helps create the critical mass for something new and some early successes are often the result. But every change process faces its moment of truth, when the management team learns whether they have equally balanced the aggressive push for the "new" with the human behavioral elements of the change. At this critical stage, shown as the apex of the chart, stagnation sets in. It's at this "inflection point" that the company either goes back to its old ways, or the organization emerges a new, better incarnation of its old self.

## Managing Resistance

Resistance must be addressed at all levels of the organization. This is necessary because resistance to change rarely lies on only one level of an organization. High-level managers may have a lot to lose during a change process, so they consciously or unconsciously erect barriers to the process. Barriers fall more easily as more people are converted to the new way of doing things. Like previously indifferent football fans jumping on the bandwagon of a team steamrolling toward the Super Bowl, employees will want to be on the winning side as real change becomes more possible. This bandwagon effect will cascade down throughout the organization.

Another critical weapon in managing resistance is proper training. In response to good training, new methods of business will be expedited, more employees will see improvements, and barriers will crumble instead of having to be taken down with a wrecking ball.

## Dealing with Emotions

How do you attain the buy-in at a personal level from hundreds or thousands of people? In Exhibit B we see how laudable goals, which any self-respecting CEO would want to achieve, are complicated by the various fears, anxieties, and resentments of thousands of individual employees.

The best way to handle the human face of change is not solely with empathy, although understanding from direct supervisors can't hurt. It's with real, tangible career benefits. So long as employees feel they are developing their careers, change managers can overcome concerns about job insecurity, having to learn new skills, or relocating. Emotional and behavioral aspects of change do not have to be met with "soft" solutions, but rather solutions that engage and reward the employee for buying into the change. The more focused change processes are on employees' careers, the more receptive employees will be to the change.

Acquisitions, for example, fail more than half the time. A merger with a rival can challenge every assumption employees might have harbored about their company and their careers. Their previously held notions about competitors and what they should be emotionally attached to is altered overnight. In fact, recent research suggests that maintaining employee morale during a merger is critical to its success.

*Exhibit B: How Leadership Desires Get Interpreted by Employees*

| What is originally desired by leadership... | Reality of what employees are confronted with... | Outcomes IF "Human Side" is not addressed |
|---|---|---|
| ‣ Productivity increases | ‣ Requirements for additional skills and expertise | ‣ Resistance in teams or line organization towards implementation |
| ‣ New service concepts | ‣ New expectations of superiors and peers | ‣ Slow and/or incomplete implementation |
| ‣ Introduce best practice processes and technology | ‣ New and unknown tasks | ‣ Lack of decision taking and/or frequent revisions of decisions |
| ‣ New organizational structures, cross-functional collaboration | ‣ Change in work environment or location | ‣ Quality problems |
| ‣ Radical improvements in efficiency and customer service | ‣ Potential loss of responsibility and independence | ‣ Reduced productivity |
| | ‣ Loss of status | ‣ Loss of "high performers" |
| | ‣ Change of responsibility and decision authority | ‣ Insecurity and increased risk avoidance |
| | ‣ New and unknown leadership styles | ‣ Reduced individual commitment |
| | | ‣ Negative word of mouth |

## Providing a Vision of a Better Day

Any transformation is brought to life by hundreds, even thousands, of frontline employees who deliver service to customers and perform other crucial jobs every day. A company can't count on all of these professionals to envision what the organization will look like in the future, after the desired change has occurred. Management must instead supply the vision.

That vision should include how individual employees fit into the new organization, and what benefits will result from this evolution of their careers. Perhaps there will be challenging new duties or a flexible working schedule. Or maybe better training or educational opportunities – even a chance to run a department.

If management can use powerful imagery to provide a credible vision of a better company, show the benefits that will result, and alleviate the inevitable human fear anxiety, and discouragement during the transition, then the chances of implementing successful change will be greatly increased.

## Case Studies Available

A number of case studies are available upon request. We invite you to contact us for an initial consultation without obligation to discuss your business and program needs.

*Emergent is an independent consulting firm specializing in strategic change management. Our goal is to help clients reduce the risk and accelerate the changes associated with implementing their business initiatives. Headquartered in Denver and serving clients across North America, our consultants function as specialized, high-touch advisors to clients, unencumbered by large overhead cost models or downstream agendas. Clients enjoy working with our seasoned professionals who deliver large firm capabilities in the context of a boutique firm culture. Visit our website to learn more: www.EmergentConsultants.com.*