Readiness for Change

Introduction

Companies must be able to make fundamental changes in how their business is conducted in order to help cope with today's challenging, changing and competitive economic environment.

Fundamental to a successful change project is to sustainably change the organisation's behaviour to achieve your company's new vision. This behavioural change must come from within the organisation – staff must be influenced to want the change, to believe that sticking with the status quo is more dangerous than pursuing a new path. This belief comes from the heart, a 'gut feel'; it is emotional rather than analytical. Showing somebody tangible change benefits is far more influential than issuing a document full of spreadsheets, graphs and words.

We are all fully aware of how resistance to change can significantly delay or damage a change management project. Far too often, much of the effort is given to overcoming resistance to change. Maybe we should re-evaluate our approach to a change project and instead prevent resistance occurring in the first place. Prevention holds far more positive benefits to a cure. Before embarking on a project, it is therefore wise to ensure the business is ready and willing for the change.

Eight Steps to Successful Corporate Change

There are several methods for assessing whether your organisation is ready for change and all of them are easy to implement. It is a wonder that still, after all these years, organisations will embark on a costly and lengthy change project without checking whether the foundations for change are first in place.

One of the most common methods of checking whether the organisation is ready for change is to refer back to the father of change management, John Kotter's 'Eight Steps to Transforming Your Organisation. John Kotter observed the results of over 100 companies trying to remake themselves into significantly better competitors. While some of these corporate change projects were successful, most totally failed or significantly underachieved in delivering the change vision. From these studies, he distilled just eight critical steps that are required to make a successful business transformation:

Eight Steps to Successful Corporate Change	
1. Establish a sense of urgency	**Stage 1 –** Preparing for and enabling a Change Project
2. Form a powerful guiding coalition	
3. Create a clear vision	
4. Communicate the vision	
5. Empower others to act on the vision	**Stage 2 –** Implementing and sustaining the change
6. Plan for and create short wins	
7. Consolidate more improvements and create more change	
8. Institutionalise new approaches	**Stage 3 –** Creating a culture of leadership, vision and behavioural change as the catalyst for corporate success

The first four steps can be considered as the first stage of a change project – preparation and ensuring the organisation is ready for change. Without undertaking these steps it is likely that the project will run into severe resistance with the risk of failure. In simple terms, without this preparation it is likely that you will be wasting your time, money, opportunity, goodwill and leadership reputation. From my experience, it is therefore surprising how few organisations take the effort to put these simple steps in place; they just cannot resist the temptation to rush straight into the implementation stage.

Preparing Your Organisation for Change

Setting Expectations

Preparing for and enabling a change project is a vital stage to a successful outcome. It is therefore essential that the project Sponsor understands the need and accounts for this stage in both budget and programme. The pressure will always be on for the project to start delivering benefits. This stage must therefore be made visible and communicated to project stakeholders so as to set their expectations on the timings of initial quick wins.

Establishing a Sense of Urgency

The organisation must be made aware that there is an urgent need for changing the way the company does business. The drivers for change are many and a constant and urgent evaluation for corporate change is required in order to stay competitive and ahead of the pack.

A good leader will systematically examine the market, their competitors potential and customers changing expectations to take advantage of business opportunities and mitigate any threats. Once the need for change has been identified then the race begins to capitalise on the new vision. Establishing a sense of urgency should involve:

Example Drivers for Change:
- *Competition* – rival factory forces better value for money
- *Inefficiency* – shareholder pressure to increase profits
- *Legislation* – stricter carbon footprint law
- *New technology* – IT system, machine, material
- *New product* – expanding range from computers to phones, medicines
- *Health and Safety* – decrease lost time incidents
- *Ethics* – embracing 'green' processes
- *Customer satisfaction* – reduce complaints
- *Changing Customers' expectations* - 'delighters' are now 'must haves'
- *Budget cuts* – public sector workforce

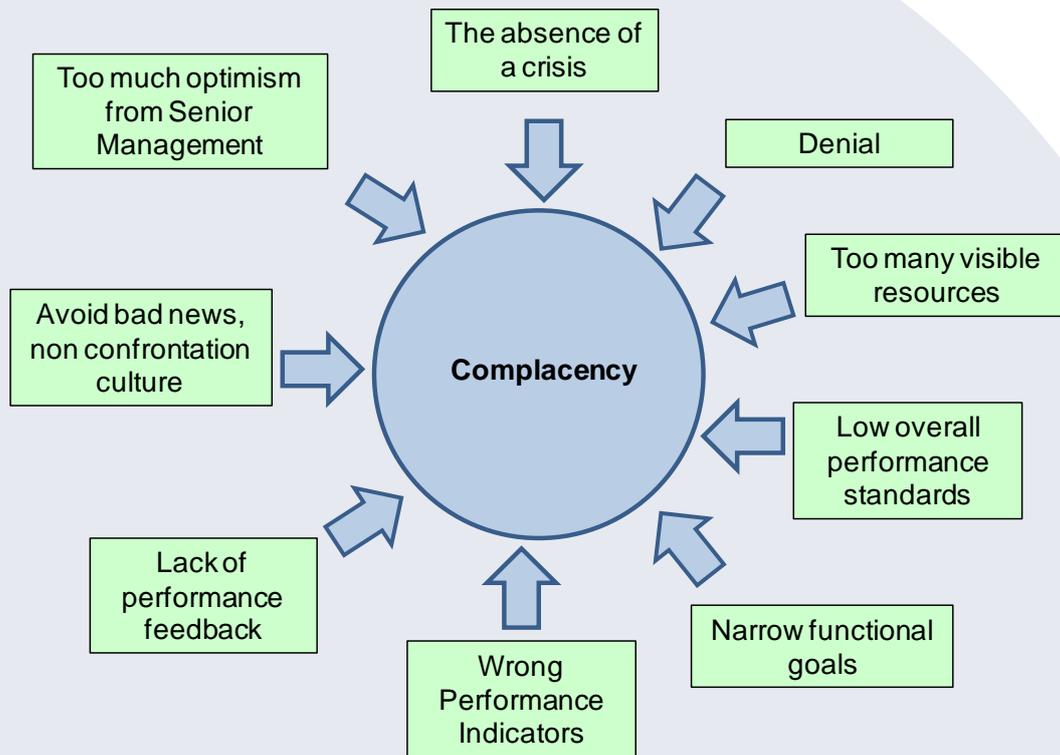- Identifying and discussing the crisis, potential crisis, or major opportunity

- Explaining why there is an urgent need for change using clear visual examples

- Determining what are the change's objectives and timeframe

- Communicating the programme and need for change to stakeholders

- Removing complaceny

Complacency is the enemy of the Change Manager and the friend of your competitors; by understanding what factors create complacency, we can plan a mitigating strategy to promote urgency.
The key factors that can create complacency are illustrated in Figure 1 as follows:

Figure 1 – Key Factors that can Encourage Complacency

Form a Powerful Guiding Coallition

We need to create a Change Team with the authority, expertise and energy to deliver the business transformation. If change comes from within an organisation, the Team is the catalyst for enabling the change.

As illustrated in Figure 2, The Change Team should comprise of the following components:

Change Team Component	Does What?	How?
1. The Sponsor	Delegates authority	• Creates the **vision** • Defines the goals and priorities • Removes barriers
2. Project Manager	Responsible for delivering the Project	• Manages the Change Team • Overview of how the change management components intersect • Monitors how well all the change tools are used • Deals with the Project Stakeholders
3. The Full-time Change Agents	Ensures action	• Manages a team to deliver the change • Are accountable for ensuring that goals are met • Uses his /her authority to get things done
4. The Part-time Change Agents	Communicates, motivates and encourages the organisation to **deliver the change**	• Gets involved in shaping the change • Takes responsibility for carrying out actions

Experience shows the consequence of not forming a dedicated change management team will be at best partial implementation with the more likely outcome of project failure.
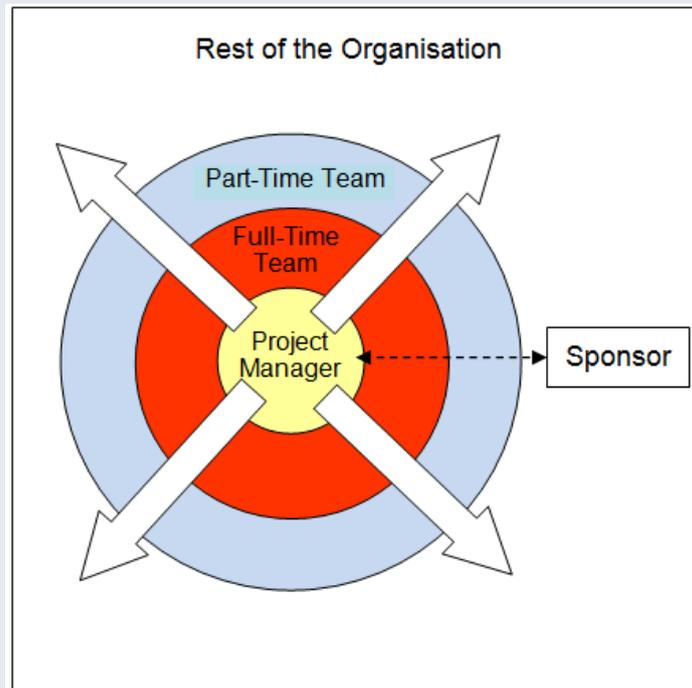
Figure 2 – Dedicated Change Management Team Structure

Creating a Clear Vision

Before setting off on the Change Journey, we need to have a clear vision of where we want to go. The goals need to be achievable, measurable and aligned with the new business needs.

This vision must be able to be easily communicated to inspire and motivate the organisation to join you on the transformation process. One common mistake is to have a generic, unspecific vision that sounds good but translates to be meaningless. How many times do we here the phrases 'best in class', 'supplier of choice' and 'world leader'. I once worked with a utility company from a developing country whose vision was to become the best water provider in the world. Quite how they expected to realise this vision, considering how hopelessly underfunded and under resourced they were, defies credibility both to the staff and the stakeholders. Far better to aspire to be best in the country for specifics such as leakage, customer complaints, levels of service etc.

In creating and sharing a vision, we must:

- Describe a desirable future
- Be compelling
- Be realistic
- Be focused
- Be flexible
- Make it easy to communicate

- Be specific about how change will improve the business and benefit employees (influencing behavioural change is far easier if you can present the **F**eatures, **A**dvantages and **B**enefits to the employees)

Communicating the Vision

There is no such thing as too much communication in a business transformation project. One of the biggest single contributors to change resistance is fear of the unknown. Lack of communication promotes mistrust, suspicion, uncertainty, rumours, gossip and negativity towards a project. If we review the twelve principle reasons why employees resist change we can attribute most of them to a lack of communicating the vision:

| #	Why Employees Resist Change	Caused by Failure to Communicate the Vision?
1	**Surprise -** Unannounced significant changes threaten employees' sense of balance in the workplace	✓
2	**Inertia -** Employees have a desire to maintain a safe, secure, and predictable status quo	✗
3	**Misunderstanding and lack of skills -** Without introductory or remedial training, change may be perceived negatively	✗
4	**Emotional Side Effects -** Forced acceptance of change can create a sense of powerlessness, anger, and passive resistance to change	✓
5	**Lack of Trust -** Promises of improvement mean nothing if employees do not trust management	✓
6	**Fear of Failure -** Employees are intimidated by change and doubt their abilities to meet new challenges	✓
7	**Personality Conflicts -** Managers who are disliked by their staff are poor communicators for change	✓
8	**Poor Timing -** Other events can conspire to create resentment about a particular change	✗
9	**Lack of Tact -** Not showing sensitivity to feelings can create resistance to change	✓
10	**Threat to Job Status/Security -** Employees worry that any change may threaten their job or security	✓
11	**Breakup of Work Group -** Changes can tear apart established on-the-job social relationships	✓
12	**Competing Commitments -** Change can disrupt employees in their pursuit of other goals.	✓

The key is to communicate relentlessly before and throughout the duration of the change project. A typical format for communication would be to:

- Explain the nature and need for change

- Explain the scope (even the bad news)

- Develop a graphic representation which people can remember

- Predict negative aspects of the implementation

- Explain the criteria for success and how it will be measured

- Explain how people will be rewarded

- Make communication a two-way proposition

- Celebrate successes and milestones

- Repeat, repeat and repeat

People appreciate honesty, openness and consultation. If change is to come from within an organisation, it makes sense to explain the vision and involve them in planning out the change programme and activities. There are many media for communicating out the vision ranging from town hall meetings, to newsletters, emails and posters. However the method, it is always a good idea to use plenty of visuals to support the vision. Brown paper storyboarding proves to be an excellent and fun way to put across the need for change. The advantages to this are numerous:

- Condensing your vision into fifteen or so pictures helps clarify your message into easy to understand steps.

- People can review your storyboard at their own convenience and pace

- Visitors can leave comments and messages on post-it notes at steps which they require further clarification, or for expressing their own ideas to achieve the vision

- A register can be left for people to record their visit and add further comments

- The paper is easily transportable to other sites
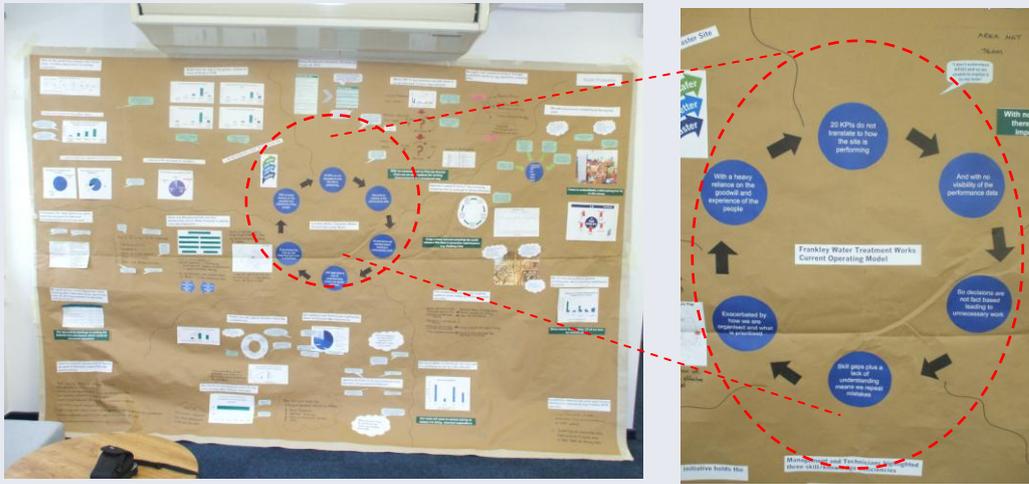
It is a good idea to target your audience when communicating the strategy. A recent study proposes that two-thirds of an organisation receives ineffective communication as the noise of the 'minorities' overwhelms the silence of the 'majority'.

Referring to Figure 3, the Innovators and Early Adaptors of an organisation need little persuasion for change while the Laggards will never be convinced. However, it is natural for management to spend a disproportionate time with the former (everybody likes to be surrounded by people who like your idea) and the latter (fruitlessly trying to persuade the sceptical) while neglecting the silent majority of the organisation who are neither for nor against change; hence this 'forgotten' group should be your primary target for influence.

- Innovators – eager for change
- Early Adopters – positive towards change
- Laggards – against change
- Forgotten Group – neither for nor against change

The noise of the minorities overwhelms the 'silence' of the majority

Figure 3 – The 'Forgotten' Part of the Organisation

4%	Adopters	Group	15%
	15%	66%	
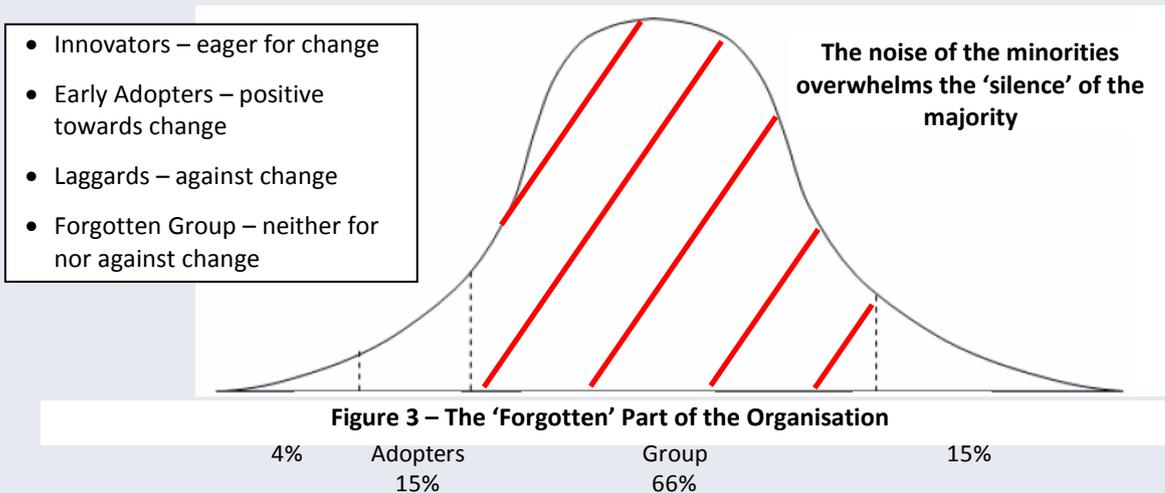
Identifying Whether Your Organisation is Ready for Change

As a Change Manager, a simple way to evaluate whether the organisation is ready for change is to consider the four box model illustrated in Figure 3.
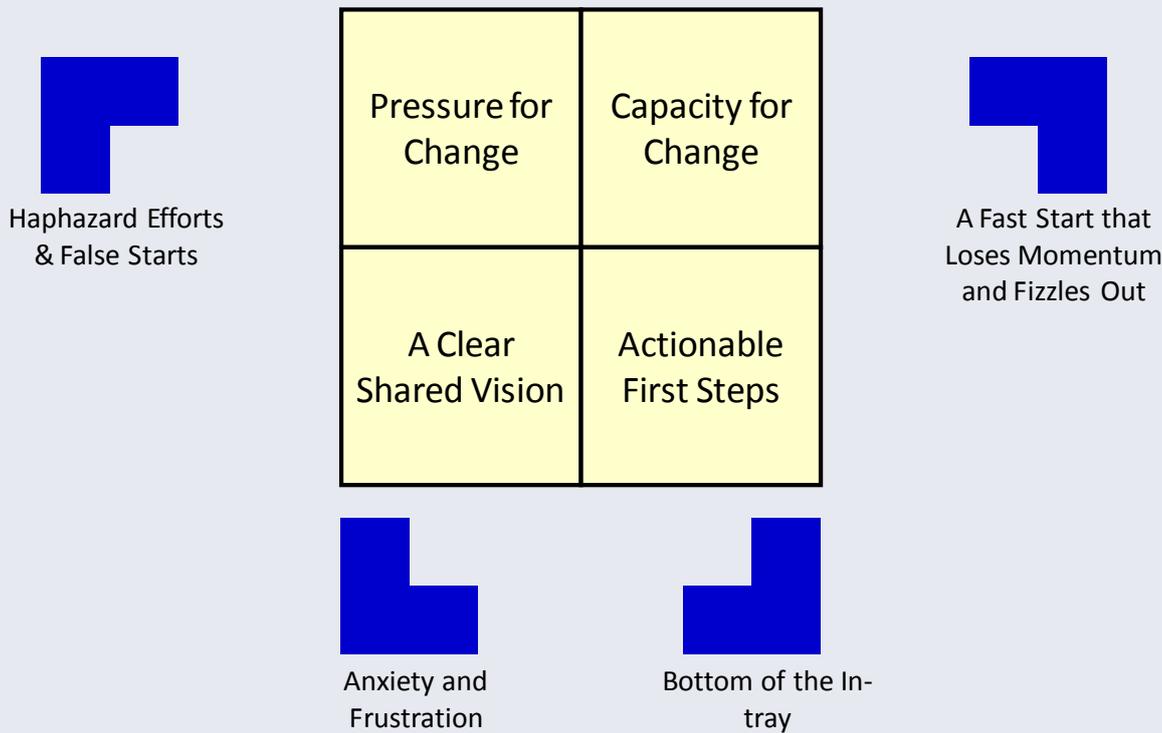
Pressure for Change	Capacity for Change
A Clear Shared Vision	Actionable First Steps

Haphazard Efforts & False Starts

A Fast Start that Loses Momentum and Fizzles Out

Anxiety and Frustration

Bottom of the In-tray

Figure 3 – Four Box Model for Evaluating Readiness for Change

The four components of the box are essential for a Change Project to start effectively while simultaneously causing least resistance among employees.

- If there is no ***pressure for change*** (urgency) then the project will be forgotten or given least priority.

- If there is no ***capacity for change*** (training, coaching, dedicated change team, support) then there will be anxiety and frustration as employees are asked to implement the project without being given the means to do so.

- If there are no ***actionable first steps*** (workstreams, programme, strategy, deliverables) then there will be many false starts to the project and confusion over roles and responsibilities.

- Finally, if there is no ***clear and shared vision*** (creating and communicating the vision) then the project will lose momentum and direction due to uncertainty over benchmarking (where are we now?), measurable deliverables (are we getting there?) and final objectives (are we there yet?)

It is recommended that prior to project launch, a workshop is held with the Sponsor and managers of the impacted areas to check the four change readiness components are in place.

While you may believe your organisation is ready for business transformation, how can you know for sure?

As always in change management, the best proof is to consult the organisation themselves and measure their readiness for the project.

The simplest method is to select a representative sample of employees from the impacted areas and ask them to complete a Change Readiness Questionnaire. This:
- Assesses their readiness for change

- Challenges employees to consider the change from a number of different aspects
- Can either be completed individually or (usually) as a workshop
- Will highlight gaps in readiness for the Sponsor and Change Team to resolve
- Focuses on leadership, people and the business culture (i.e. behavioural change)

The questionnaire comprises of fifteen statements for which employees are asked to 'tick the box for each statement that best reflects their organisation on a scale (1) Strongly Disagree to (6) Strongly Agree'. The numbers represent their value as points (e.g. 4 = 4 points) and the employee adds up the total number of points across the fifteen statements.

The further away from the maximum score of 90 points, the greater the risk is that your organisation will not respond appropriately to change.

- Scores of between 15-35 points are considered a high risk
- Scores between 36 and 60 are considered a risk and you may want to look at specific areas that scored poorly
- Scores of 61 to 90 indicate the organisation has the foundations for embarking on a successful change project

Conclusion

Many change projects fail because not enough time and effort was given to preparing the organisation for the transformation. This may have been attributed to pressure for quick wins or a lack of understanding of what is required to ready the organisation for change.

By following a few simple rules of setting expectations, establishing a sense of urgency, forming a powerful coalition, and creating and communicating a vision, the foundations for change can be built and employee resistance avoided.

Involving the organisation in assessing change readiness is good practice for enabling others to act on the vision. It demonstrates openness, honesty and a willingness to listen to employee's views, which in itself is the start of behavioural change coming from within the organisation.

For more information on Change Management and Overcoming Resistance to Change, refer to the Advanced Certificate in Change Management course organised by the Business Management Training Group Ltd.

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