

Change Management is Broken!

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Introduction

Organizational change management as an approach needs to undergo radical transformation if it is to be of any value when constant change is the new black! Organizational change management practitioners will have to fundamentally change their thinking and approach to remain relevant.

In this paper I will explore why the traditional approaches to organizational change management will no longer work in a world of constant, rapid, unpredictable and complex change.

I describe the world in which all organizations now operate – one of disruption – and how to survive in that world.

Building resilience to change should now be the number one priority for organizations that wish to manage the people side of change. These organizations must attract talent, and retain the talent they have in order to remain relevant. In this paper, I explain how that resilience can be built.

I outline the changes organizations will have to make to survive in a world of constant disruption – some of them transformational.

Welcome to a world in which 'change management' is an oxymoron.

You cannot manage something that is often intangible and unknown.



Disruption v. transformation

We are hearing a lot about digital disruption and digital transformation.

Digital transformation is nothing new. The first computers were introduced in the 1930s but we have been finding faster and more automated ways of doing things long before that. The dishwasher was invented in 1886 and the first electric vacuum cleaner introduced in 1901.

I don't think it so much about digital transformation, but more so the disruption we are feeling today, as change gets faster and faster and less predictable and manageable.

Organizations that will survive and thrive amidst the disruption are the ones that truly accept that change is now constant.

This is an organization in which the volatility, uncertainty, complexity and ambiguity (VUCA) of change that is ever increasing in velocity and shifting in direction, is embraced.

These organizations don't have a change program in which change is dictated from the top and cascaded down through the hierarchy.

VUCA

VUCA is not a new term. It was coined in the 1990s by the U.S. military to describe conditions resulting from the Cold War.

It is now widely used in the business world to describe the terrain in which organizations operate in today.

Volatile: constant and significant change

Uncertain: events and outcomes are unpredictable

Complex: there are many interconnected parts and variables

Ambiguous: there is a lack of clarity, there are no precedents and there are unknown unknowns

In these organizations, change is a platform on which everyone can initiate and execute change.

So how do we get the organization to a place where change is truly everyone's business and employees can initiate and drive change, and they are empowered to make decisions in response to change?

Change resilience

The first thing I believe we need to do is stop talking about 'change resistance' and start talking about 'change resilience'.

We do this whilst we get the organization to a place where constant change is the new norm through:

- changes in mindset
- the ability to flatten the hierarchy to remove the bureaucracy
- leadership that is adaptive
- employees with autonomy, and
- an organization that has true agility, we need to make our workforce resilient to change.

Every one of us has been changing and transitioning, developing new skills and adapting to new environments since the day we were born and today should be no different.

Bring it on!

We need to develop a workforce that says 'bring it on!' One that understands that change is constant and that the direction being set may change at any time and may change often. A change in direction is not necessarily the result of managerial incompetency. It is the need to respond to both internal and external conditions, and respond quickly, if the organization is to survive.

This new reality needs to become the DNA of every employee.

Provide employees with undoubted reasons why the organization needs to continually respond to change, the upmost of which is survival and job retention, and you will bring them on the journey.

Building resilience

There is a plethora of material about boosting the resilience of employees, which I don't intend to replicate here. Rather I want to call out key resilience activities that are more aligned to change.



Autonomy

Managers need to get out of the way and let employees do their jobs.

No one ever did anything awesome or great just because they were told to! Therefore if we want an innovative and creative workforce that can respond and adapt to change, we have to give them autonomy.

Decision-making has to be distributed and delegated to the people best suited to make the decision. If decision-making has to go up and down a chain of command the organization will never be able to respond to change fast enough.

A good example of employee autonomy and decentralised decision-making is Caterpillar, the industrial equipment manufacturer. In the 1980's, Cat began to suffer from its centralised decision making structure. . It had a hierarchical bureaucracy, was inward facing and out of touch with the marketplace.

At this time, all the pricing decisions were made in the corporate headquarters in Peoria, Illinois. If a sales representative in South Africa wanted to give a customer discount on a product, they had to check with headquarters first.

To add even more misery, headquarters did not always have accurate or timely information about the subsidiary markets to make an effective decision. As a result, Cat was at the mercy of the competition.

Cat's formerly comfortable position in the market place was turned into opportunities for competitors such as the Japanese firm Komatsu. In 1982, Cat posted its first annual loss of its 50 year history.

In order to overcome this centralised paralysis, Cat underwent a number of dramatic rounds of reorganization through the 1990s and 2000s. It reorganized into a flatter structure and recaptured its market share. The organization moved accountability downward in the organization and dramatically decentralised decision rights.

After posting a \$2.4 billion loss in 1992, Cat returned to profitability in 1993 and has increased its earnings ever since. It made record profits of \$2 billion in 2004.



You can read more about the Caterpillar decision-making decentralisation in "[The Cat That Came Back](#)".

No one ever did anything awesome or great just because they were told to!

Trust and respect

Organizations wishing to attract and retain talent needed to survive in this volatile world must establish a culture of trust and respect.

Trust and respect builds resilience. Employees already have permission to 'have a go'. They are not given the permission at any point in time – it is intrinsic. Employees are rewarded for being innovative when responding to change – regardless of whether the response was successful or not. As long as the intent was to do the right thing for the organization there is no consequence apart from lessons learnt.

Trust and respect comes from transparent communications and engagement.

Reliance on others

Breakdown silos and build cross-functional teams. Creating a culture of trust and respect throughout the organization allows people to seek out help without fear of reprimand or criticism. Employees can rely on others to solve problems, come up with innovative responses to change and work as a collective rather than as individuals. The composition and structure of teams can change as needed, in order to respond to change. Change is fluid and so are the teams addressing those changes.

Employees form trust networks that are adaptive and can innovate when faced with change. They are connected to resources across the organization. Employees feel supported and are therefore engaged and motivated which leads to increased productivity.



Transitions

William Bridges put it so well in his 1991 book, “Managing Transitions: Making The Most of Change”

It isn't the changes that do you in, it's the transitions

In 2017, I think that this quote could not be truer. However, I do have a different perspective than Bridges intended.

Bridges and I differ

What Bridges meant is that change is situational. It could be the implementation of new technology, a reorganization of teams, a change in policy etc. Transition is psychological - the process that people go through as they internalize and come to terms with the details of the new situation that the change brings about.

He talks about the three phases that need to be managed to assist people transition to new ways of working.

- ending/losing/letting go
- the neutral zone
- the new beginning

This is where Mr. Bridges and I diverge.

Change is constant

I believe it isn't the changes that do you in, it's the transitions – because the transition is now constant.

To thrive in today's world, organizations have to enable employees to *continually* transition to different ways of working. Constant change is the new norm.

We do not have the capacity to “manage” people through three phases of transition in a world that we now describe as VUCA!

Change management is broken!

The old approaches to change no longer work

The framework that most organizational change management approaches have been based on, including that of Bridges, is Kurt Lewin's 1947 three stage theory of change - commonly referred to as Unfreeze, Change, Freeze.

In a nutshell, Lewin describes the three phases as unfreeze – prepare for change; change – transition and move toward a new way of being; and freeze – establishing stability once the change has been made.

But today, there is no stability. As Hamel and Zanini referred to it in a McKinsey 2014 [article](#) – it's no longer about freeze and unfreeze because it is constant slush.

The Kubler-Ross inspired five stage change model – the change curve – still has relevance today in explaining how individuals respond to change – but we no longer have the luxury to determine where each individual, or group of individuals, is on the curve and put in place tactics to move them along the curve.

The [Accelerated Implementation Methodology](#)[®] (AIM) from IMA also has three-phase process – plan, implement and monitor.

Even, [Prosci](#)[®], one of the most widely used approaches to organization change today, has a three phase process – prepare for change, manage change and reinforce change.

We are living in a different world that is going to require a different approach to change and transition.

We are not in a state where we can plan, do, embed and then wait for the next change. Rinse and repeat! Those days are gone.

[We need a different approach](#)

Today, transitioning people through change is continual and multi-faceted. We need a more agile and iterative approach to organizational change.

As the title of the Hamel and Zanini [article](#) cited earlier advises – “*Build a change platform, not a change program*”.

We are no longer in a situation where change is episodic – where it happens every so often and disrupts what we were doing. It is driven from the top and cascades down through a hierarchical chain of command.

Management of change today has to be baked into the organizational construct, not something that is added on when it is needed.

Today's organization is one in which everyone can initiate change, can experiment, and is allowed to fail. Everyone has the capability and permission to be self-organising so that change is truly constant. Energy and ideas come from the entire organization.

We are not in a state where we can plan, do, embed and then wait for the next change. Rinse and repeat! Those days are far-gone.



The new world

To survive and thrive in this brave new world of constant change, there are a number of things that organizations need to do – some of which are transformational.

Simplifying the roles involved in organizational change

If we think we can have a myriad of roles including executive sponsors, reinforcing sponsors, sponsors, agents, change champions, targets, catalysts, analysts, stakeholders, managers and rapidly respond to change, we are dreaming. I propose just three roles and use a field sport analogy:

Managers who determine the strategy that is going to be played out and direct the game play. They provide motivation and instruction. They are change management centre of excellence.

Coaches who ensure that the players are game fit. They develop the skills and capabilities of the players. They communicate the strategy and game plan that players are being asked to act out. They are change sponsors supporting and reinforcing a world of constant change.

Players are ultimately the people who will win or lose the game for the organization. It is the players that make things happen. They will use the game play and the capabilities with which they have been equipped to win.

Kill the hierarchy

Whilst leadership is important, what is needed today is a collaborative workplace in which transparency and creative freedom reign over hierarchy.

In order to respond to constant change we need to be innovative, agile and enable rapid decision-making whilst ensuring employee engagement. The organization needs to move from hierarchical 'control' to a flatter structure.

It's not about having no structure but using the job of hierarchy to get rid of the bad bureaucracy. Flatter structures empower employees to take charge, help make decisions and feel responsible for the organization's success.

Evolve

Organizations need to constantly evolve if they are going to survive in a world of constant change. They will have to evolve to remain relevant. The old approach of episodic change (discontinuous and intermittent), driven from the top is broken!

Today, everyone in the organization needs the capability and permission to be self-organising so that change is constant, evolving and cumulative. The competitive advantage lies in the capacity to constantly change, which comes from employees being equipped with the capability and permission to identify, initiate and drive

change. It is only through constant evolution that the organization will survive and thrive.

Energy and ideas come from the whole of the organization and are the catalyst for change. Transformation requires permission and participation at all levels. The organization will only evolve by working through others. It is power with, not power over.

Give up control

If the organization is going to flatten the structure, evolve and empower employees, one of the biggest challenges will be overcoming the reluctant leaders, who believe that delegation and empowerment of employees means loss of control. In our turbulent world of constant change, leaders have to move from a command and control approach to a delegate and trust approach.

The command-and-control approach is fine for improving operational efficiency in a well-defined environment. However, in today's fast moving, complex world, we need to relinquish control in order to gain control. We need to "give it up!" Many leaders fear they will lose control if they relinquish control to others. In times of stress, the tendency is to revert to command and control whilst still wanting employees to be creative and innovative and able to rapidly respond to change.

The issue is that employees will not be creative, innovative and responsive and are likely to leave the organization if they don't feel trusted and respected.

Adaptive leadership

Not only do leaders need to give up control, they need to become adaptive leaders.

Acknowledging that we are living in a volatile, uncertain, complex and ambiguous world, how can leaders chart a course when they cannot predict the outcome of their choices?

Today, every organization is an information business. Leaders need to be able to read the right signals and act upon them.

Adaptive leaders learn through experimentation, and manage the context, not the instruction set.

They cultivate diversity of view to generate multiplicity of options. They lead with empathy, reward accomplishment with autonomy and seek winning solutions for all stakeholders.

Adaptive leaders know what to do when they don't know what to do

Successful organizations also need adaptive leadership teams. Leadership at the top is now a team effort. Top teams must be more than just high performing. They need to adapt and thrive, regardless of the turbulence they face.

Speed

And last but certainly not least is the *need for speed*.

Agile is here and you had better be ready to manage the people side of rapid change. It is time to release your waterfall ways!

The only way to be truly responsive to constant change is to become more agile. (Note: I use agile with a small 'a').

Business demand means agile transformations and iterative implementations and organizations are now challenged with managing the people side of such fast-paced change.

It's not enough to rely on communications and training alone. Many existing change management models follow waterfall rather than agile practices.

The waterfall approach to change won't work on an agile project because you don't know the end state until close to the release.

Organizational change management has to adapt to an agile world!

Organizational change management needs to align with agile practices in order to manage change during iterative development cycles. Challenges for organizational change are time, information and planning. None of which are as available as they used to be! Therefore it is important to build change along the way and keep pace with the sprint development schedule and evolving cadence.

Organizational change has to match the rhythm so that agile and organization change become one.

I will be / have been exploring all of these required changes in more detail in my posts over at www.karenferris.com.



Summary

Change management, as we know it is broken! A prepare-manage-reinforce approach to change will no longer work.

Some organizations are trying to grapple with the changes needed to manage the people side of change in an increasingly complex and unpredictable world. I hear people talking about autonomy, empowerment, delegation, distributed decision-making, agile, innovation, permission and so on, but struggling to know where to start.

My suggestion is work on the resilience whilst starting to make the organizational changes necessary to enable fast paced change outlined in this paper. I am here to help – just give me a call.



If you have enjoyed reading this white paper, you can register for my monthly newsletter over at www.karenferris.com. Hope to see you there.