



Special Report

Leading Organizational Change

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Sales Leadership Resources



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Due to the demands of the *New Economy* organizational change is running rampant in corporate America.

Unfortunately, most of it isn't working, or at least, not as well as it's supposed to. Success of formal change programs in Fortune 1000 companies is rare. Reports indicate that more than half are disappointments or outright failures. Whether the change initiatives are called, "reorganization," "downsizing," or "re-engineering" the results are the same.

The process usually starts with an enthusiastic top management push delivered to a skeptical group of employees. Then, meetings are scheduled, training conducted, until everyone is involved in the process. Unfortunately, the inevitable eventually happens, communications break down; milestones are missed; results don't meet expectations; and management is left wondering what happened.

A Matter of Perspective

One of the core problems in leading organizational change is a simple matter of perspective. Management and employees often view change differently. Management sees change as a challenge and an opportunity to strengthen the organization for the long haul.

For many employees, change is seen as disruptive and intrusive. They didn't seek it so they rarely welcome it. **Change to them is threatening.**

This difference of perspective is compounded by management misjudging the effort required to win acceptance of change. To avoid this problem, managers at all levels must learn to view change through the eyes of their employees. This insight can give management the leverage needed to move the change process forward.

New Rules

Resistance to change is rooted in a lack of understanding and in a loss of empowerment. Change means the rules have changed. Most people withhold support until they've figured out how the new game is going to be played. This usually occurs when people know the rules of the game and how the score is kept. Most people know how to win in the existing culture, but aren't sure in the emerging culture. The quicker management can explain the new rules and show their people how to win, the sooner they'll embrace the change.



The key here is understanding. For employees to understand the new rules, management must be

prepared to answer several critical questions. When change occurs, the first thing people want to know is **"What's going to happen to me?"** This is a natural extension of a person's self-preservation. People want answers when they feel threatened or unsure of their future. Even if it's bad news, people deserve answers. Keeping people in the dark only compounds the problem and increases their resistance.

Be committed to resolving the **"WGTHM"** questions as quickly as possible. Giving people closure on these issues helps them move past resistance and begin focusing on the future.

Once the general issue of "What's going to happen to me?" is resolved, management must answer the following questions more specifically:

- What's my job? (What am I supposed to do?)
- What resources do I have? (What support can I expect?)
- How will my job be evaluated? (What are the standards and how will I get feedback?)
- How will I be compensated? (What financial rewards, recognition, and personal satisfaction will I receive?)
- How hard will I really have to work and are the rewards worth it? (What's needed to survive and thrive?)
- Is this a place where I belong? (Are my values aligned with the organizations?)

These questions provide the explicit rules for winning in the new culture. Providing answers resolves a lot of fears and anxiety that employees are apt to feel. However, it usually takes some time for people to fully trust the new rules. That's why most employees don't fall in line until the **unspoken rules** of the game become clear and management answers the final question, **"How do you really get things done?"** Like teenagers testing a curfew, employees will test the stated rules until they know that they are real. Once this is accomplished, people can start focusing on results instead of the rules. Even the best planned change effort can experience resistance. And, management must be prepared to lead it.

Resistance is the most common side effect of change. Resistance is the organization's way of maintaining the status quo. It's a good barometer for measuring the impact of change, but it is not an appropriate gauge for measuring the appropriateness of change. Just because people resist change doesn't make it bad. When you initiate change, you will encounter resistance. Keeping this in mind, you're able to handle resistance better as it occurs.

Remember, the 20%50%30% Rule

When change occurs, most people fall into one of three camps. The first camp is those that embrace change and see it as an opportunity for growth. This group represents about 20 percent of the people.

The second camp is those people who are undecided about change. They try to be neutral until they figure which side of the fence they're on. This group makes up about 50 percent of an organization.

The third camp is people who resist change. They fight it and often try to ensure that the change fails. This group represents about 30 percent of a group. Resisters are often responsible for holding the whole organization back because they usually get the most attention from management. Unfortunately, paying undue attention to resisters only

reinforces their negative behavior. The more attention they get the more compelled they feel to justify their position. This often makes it even more difficult for an organization to move forward.

The key to leading organizational change is to focus on results. You may never get 100 percent buy-in from all people. For some, the buy-in can only come after they see results and have proof that the change was appropriate and successful.

Casey Stengel, the former manager of the New York Yankees, once said, "*The secret to managing is to keep the guys who hate you away from the guys who are undecided.*" This applies to business as well. A manager must decide to "**win with their winners and not lose with their losers**".



Help People Understand Change

Education and communication are your first steps in defeating resistance. Give people the information and rationale that's driving change. Also, relate the change to the organization's mission and core values. Finally, help people see it from their perspective. It should make sense from where they sit.

Even when you explain it, everybody may not accept it. Some resistors reject anything that they don't agree with. For these people, the goal is understanding, not necessarily agreement. If they understand, they can eventually accept it. Some people won't get it even after you've explained it several times. Don't give up. ..keep communicating until they do get it. Remember, your job isn't just to explain change, but to help people understand it.

Change Should Have a Purpose you're committed to

A clear mission and goals can be a good antidote for the fear that causes resistance. The clearer and more compelling the future seems, the easier it is for people to leave their doubts behind. Aimless misery is a tough sell. Make your change goals easy to see and provide a destination that makes the change seem worthwhile.

Once people realize that change is a done deal, their resistance usually fades away. When people realize you're not just "giving change a try" they generally accept it.

Remember, it takes very little to keep the hope alive in the hearts of resistors. They continuously look for an opportunity to believe that the change isn't for real. Resistors won't become believers until they see tangible evidence that you mean what you say.

A critical measure of success in leading change is your commitment. Once you've weighed the options, given others a chance for input and settled on the best course of action. You must be resolute, even passionate about your determination to follow through. If you can't be excited about where the organization is going, how can you expect your people to be?

Don't try to reduce resistance by softening your position. This is taken as a sign of weakness and becomes a rallying point for resisters. Keep in mind that in times of uncertainty, **actions speak louder than words**. If pushed to the limit, you may have to make an example of someone who resists. When this happens, make it a high profile person and make it public. Your objective is to send a message to the others to get on board.

Change often has casualties. This may seem heartless but it's true. Resister resist because they choose to do so. They are the ones who put you in a position to choose them or the change effort. If your change effort is worthy, the choice is an easy one.

Be a Role Model

In times of change, people gravitate to the people who have the most conviction about the future. Certainty usually outweighs desirability. This is why resisters can win the hearts of the 50 percenters. Resisters often have more conviction to the resistance to change than managers have to the change effort.

Don't initiate change you yourself aren't committed to. People will look to you for answers and to show them how to act. If you're certain, confident and act with congruence, they will follow. If you lack those qualities, they will seek those that do.

Remember, you can't manage change, you can only lead it. When you lead change, people will follow. So, **if you're in charge of change, lead it**. The resisters will either join the parade or voluntarily drop out.

About the Author:



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Phil Faris is a business development consultant, coach, speaker and author. He is president of Phil Faris Associates a firm that specializes in helping organizations hire, train, develop, lead and retain the sales talent required to succeed in a competitive marketplace. Phil has developed a reputation as a “performance improvement doctor” for his ability to help organizations improve their financial health by diagnosing performance issues and then prescribing strategies that produce measurable results. He has worked in many key industries with a wide range of clients including:

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Phil brings a diverse array of hands on experience to every project having held leadership positions in training, human resources, marketing and sales. As a consultant he has worked in more than 20 industries and has designed and delivered over 80 customized sales, management and leadership training programs.

Phil is the author of the following books: *Hiring Winners*, *Building Customer Partnerships*, *Training Winners*, *50 Activities for Sales Training* and *Upping the Down Side*. He has also written numerous articles on sales, leadership and personal development.

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