

The 9 Biggest Mistakes in Managing Change and The Lessons Learned!

From many years of working with executives and managers, PEOPLE 1ST have seen how management of change impacts a work force. Here are the biggest mistakes in managing change -- and the lessons learned.

Mistake 1

Not understanding the importance of people.

60-75 percent of all restructuring failed -- not because of strategy, but because of the "human dimension." Michael Hammer, author of Reengineering the Corporation, said, "I wasn't smart enough about people. I was reflecting my engineering background and was insufficiently appreciate of the human dimension. I've learned that's critical."

Lesson learned:

Organizations don't change. People do -- or they don't! If staff don't trust leadership, don't share the organization's vision, don't buy into the reason for change, and aren't included in the planning -- there will be no successful change -- regardless of how brilliant the strategy.

Mistake 2

Not appreciating that people throughout the organization have different reactions to change.

Lesson learned:

Some people are naturally more "change-adept." We need to spot and encourage the early adaptors -- and we need to develop change-adept employee profiles to better understand how to develop these qualities throughout the organization.

Change-adept people are naturally happier in their work because they have come to terms with a world that never stays the same. They move with today's chaotic workplace, rather than fighting it. They are energized by, and actually thrive on, change.

The change-adept are not necessarily more competent than their co-workers, but they have distinct advantages in the attitudes they hold and the strategies they adopt. Change-adept professionals build greater resilience and not only survive, but flourish in changing times. There are five factors that determine which individuals deal successfully with change: *confidence, challenge, counterbalance, coping, and creativity.*

Mistake 3

Treating transformation as an event, rather than a mental, physical and emotional process.

Lacking "emotional literacy" we disregarded the wrenching emotional process of large-scale change -- and when we began to address the emotional component, we underestimated its depth.

Lesson learned:

Large-scale organizational change usually triggers emotional reactions -- denial, negativity, choice, tentative acceptance, commitment.

Leadership can either facilitate this emotional process or ignore it -- at the peril of the transformation effort.

Mistake 4

Being less than candid.

Under the rationale of "protecting" people, we presented change with a too positive "spin." And the more we "sugar-coated" the truth, the wider the trust gap grew between management and the workforce.

Lesson learned:

Communicate openly and honestly. Today's employees are demanding it. Not everyone will thank you for your candor, but they will never forgive you for anything less. Open and honest communication goes beyond simply telling the truth when it's advantageous.

You need a proactive, even aggressive, sharing of everything -- the opportunities, the risks, the mistakes, the potentials, the failures -- and then inviting people in to work on these challenges together.

Mistake 5

Not appropriately "setting the stage" for change.

All too often, change was announced in an environmental vacuum, with little reason or rationale for what the organization was trying to accomplish and how this change fits into the corporate vision.

Lesson learned:

To prepare employees for success, we must give them pertinent information about demographic, global, economic, technological, competitive, and industry trends. People need to know the vision, goals, and strategy of the company. They need to understand the financial reality of the business and how their actions impact that reality.

Mistake 6

Trying to manage transformation with the same strategies used for incremental change.

Lesson learned:

Incremental change -- continuous improvement, etc. - is linear, predictable, logical, and based on a progressive acceleration of past performance.

Transformation is none of these things. Transformation is a redefinition of who we are and what we do. It's often unpredictable (responding to unforeseen circumstance, challenges and opportunities), illogical (demanding people and organizations change when they are the most successful), and most importantly, in a transformative change, our past success is not a valid indicator of future success. In fact, our past success may be our greatest obstacle.

Mistake 7

Forgetting to negotiate the new "compact" between employers and employees.

The result was that people knew what they were losing, but didn't have a clear picture of what to expect in its place.

Lesson learned:

A new kind of relationship, grounded in mutual trust and respect, is emerging between employers and employees. This new compact is developed out of realistic expectations on both sides. It attempts to align the interests of the organization with those of its employees, to share both the risks and rewards of doing business. As leaner companies rely on fewer employees to shoulder more of the work, the developing relationship between company and worker is changing from paternalism to partnership. Companies owe it to their work force to aggressively pursue new ideas, products, services, markets, and customers.

Employees expect to be treated and compensated fairly, to develop professionally, and to have meaningful, challenging work. In return, employees owe the organization their willingness to participate in personal growth, idea development, customer service, and organizational transformation. Balancing the employee-employer compact is not a matter of adding more items to one side of the balance sheet or eliminating some from the other side. Increasingly, it is a matter of finding items that are of value to both the employer and the employee.

Mistake 8

Believing that change-communication was what employees heard or read from corporate headquarters.

So we focused our attention on speeches, newsletters, videos, and email -- only to find out that, from an employee's perspective, the kind of communication that impacts behavior is 10 percent "traditional" vehicles, 45 percent organizational structure (whatever punishes or rewards) and 45 percent management behavior.

Lesson learned:

A communication strategy that is not congruent with organizational systems and the actions of leadership is useless. Corporate leaders are beginning to learn the importance of behavior-based communication as a requirement for leading discontinuous change.

Organizations send two concurrent sets of messages about change. One set of messages goes through formal channels of communications -- speeches, newsletters, corporate videos, values statements, and so forth.

The other set of messages is "delivered" informally through a combination of "off the record" remarks and daily activities. For today's skeptical employee audience, rhetoric without action quickly disintegrates into empty slogans and company propaganda. In the words of Sue Swenson, CEO of Cricket Communications, "What you do in the hallway is more powerful than anything you say in the meeting room."

Mistake 9

Underestimating human potential. And when we underestimated potential, we wasted it. This was our worst mistake.

Lesson learned:

Trust in the innate intelligence, capability, and creativity of your employees -- and people will astound you. In the Industrial Age, companies squandered immense amounts of human potential on mindless, repetitive tasks and meaningless paper work.

It never occurred to leaders in those days that their assembly-line workers had the know-how to go home and rebuild entire car engines, that their "lowly cashiers" easily negotiated complicated bank loans for their families, or that their "pretty little stenographers" were perfectly capable of chairing PTA meetings, managing household budgets, organizing charity drives, sitting on hospital committees or running complex volunteer organizations in their spare time.

Today, in the post-industrial Information Age no company can afford to waste human capital so rashly. Every talent, every idea, every skill is needed urgently if companies are to survive. The potential of the work force really is the company's greatest asset.