Organizational Effectiveness
## Preparing Your Workforce for Change

In today's tumultuous economy, companies are aggressively seeking ways to remain competitive—from reductions in force to radical restructuring. But, they often face a significant stumbling block. Quite simply, most organizations don't know how to prepare their employees to handle these change initiatives.

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In fact, only 25% of respondents to a recent poll conducted by Right Management agreed that their workforce effectively responds to change. In contrast, 31% reported their workforce was not able to adapt to change, putting productivity and engagement at serious risk. Forty-four percent reported that their workforce was coping with change, but that morale was suffering. But this lack of planning and preparedness has an unfortunate result: Change management strategies tend to fail, undermining an organization's ability to achieve the goals the change initiative was designed to produce.

Is your workforce able to adapt to change and increase their effectiveness on the job?

- No, employee engagement and productivity are a major risk
- Somewhat, our workforce gets the job done, but morale suffers
- Yes, our workforce is very agile and responds to new challenges

31%	44%	25%
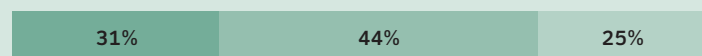
Right Management survey of 117 senior human resource professionals across North America conducted between 2/16/09-3/19/09

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CHANGE MANAGEMENT THAT WORKS

It doesn't have to be that way. In fact, companies that understand the inextricable connection between preparing employees to accept change and effective implementation of new initiatives are likely to see their efforts succeed. With careful planning and the support of top leaders, organizations can help their workforces adapt to change—and the business retain its competitive edge.

Failure to act can have severe consequences. According to a recent survey by Leadership IQ of workers who remained at their employers after a downsizing, 74% of respondents said productivity declined and 69% felt the quality of the company's product or service had dropped. In fact, when managers and employees are unwilling to embrace change, the result can be everything from high turnover and absenteeism to decreases in employee engagement, performance, productivity, brand reputation and customer loyalty. And that, of course, ultimately impacts the bottom line.

Why do change management strategies tend to fail? For one thing, there's the matter of human nature: Most people have a hard time dealing with change. But, more than that, they lack specific behavior traits needed to adapt easily to difficult changing circumstances. Consider the results of an assessment instrument used by Right Management. It evaluates an individual's ability to effectively deal with change by analyzing a number of key traits—such factors as an ability to remain calm even in stressful situations and to reach mutually beneficial outcomes during a time of change. See sidebar "Assessing Change Readiness."

In addition, there are important organizational reasons for these failures. Many companies don't understand the importance of change management nor do they regard it as a core competency for leaders. As a result, they fail to provide adequate development, thereby crippling a manager's ability to lead during times of change. When companies do provide development, they tend to rely on isolated workshops lacking a real organizational or business context, with little follow-up and few practical lessons that are likely to stick.

ASSESSING CHANGE READINESS

Right Management's change effectiveness assessment predicts an employee's likely response to change. Based on the results of 5,000 assessments, we looked at the most common responses to change and grouped results into three categories: Concern, Moderate and Strength.

Change Effectiveness Behavior

	Concern	Strength	Respondents
Adaptability	■		38%
Self Assurance	■		43%
Reaching Agreement	■		44%
Building Relationships		■	48%
Influence		■	31%
Perseverence		■	22%

The implication for organizations is that nearly half of all employees will struggle with being open to change—which is being tested to extreme measures with the economic uncertainty we are currently facing—creating multiple barriers to impede the success of the change initiative.

The good news is that 48% of respondents fall into the Strength category for Building Relationships. Collaboration, team work and collegiality are critical to achieving goals. Identifying individuals that know how to interact appropriately with others and build and maintain interpersonal relationships will be an important part of ensuring success in your change initiative. This is particularly essential for those who need to lead changes in their organizations.

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A STRATEGY FOR EFFECTIVE CHANGE

Putting in place a successful change management strategy is not an easy undertaking. It requires putting in place an integrated planning process, including steps to take before, during and after the change. While what you do to prepare beforehand is critical, the actions you take while implementing the change and afterwards are also very important. Following this multi-step process can put you on a path to realizing the benefits your organization needs to achieve through the change initiatives it is undertaking.

BEFORE

1. Understand previous change initiatives.
To create an effective plan, you need to know what happened during earlier change initiatives. That means working with leaders and employees to learn what worked, what didn't and what gaps need to be filled.

2. Involve top leadership.
For best success, it is imperative that senior leaders, including the CEO, are clearly behind the effort. Indeed, leaders need to drive change throughout the organization. To that end, HR practitioners have to demonstrate to executives that change management isn't a "nice-to-have," but a necessity to ensure that the talent management strategy is aligned with the business strategy.

3. Identify people who might be potential stumbling blocks or champions.
Part of that process can involve using an assessment to help individuals understand their strengths and weaknesses. You might also ask employees to share the findings with their manager, who can help build an awareness of how they react during times of change. The manager can also use the results to create a team profile and discuss how individual behaviors might affect the group dynamic. In the process, they can also refer to the assessment to create a common language for discussing how to deal with change.

4. Map out a change process.
Most important is pinpointing the key areas in which employees are likely to be affected—anything from a new performance management system to a reorganization of teams—and then putting in place appropriate initiatives to help them adapt to the changes. You may also consider restructuring the reward system to reinforce certain behaviors.

5. Construct an effective communications system.
You have to communicate your vision and plan convincingly throughout the organization. That means building it into everything you do, from your performance management system to regular intranet postings.

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6. Provide adequate support and development for line managers to lead employees through the change.

That may take the form of group or one-on-one interactions, depending on the circumstances. In some cases, it's helpful to bring managers together, because the process of dealing with change can be an isolating experience. At the same time, managers should hold individual meetings with each team member.

7. Provide coaching for managers who still need help.

Provide adequate support and development to managers to help drive change through the organization. If they are unable to effectively communicate the vision and strategy and engage the team through the process, the change initiative will not succeed. Managers need to provide role clarity and ensure employees are aligned with the new strategy in order to meet performance objectives and achieve goals.

8. Measure success.

Define success at the outset and the metrics to be used to assess whether you've achieved your goals and objectives. For example, in some cases, you may need to measure a manager's ability to have an effective conversation with an employee about change. Under those circumstances, it might be appropriate to ask his or her direct reports to do a 360° evaluation of their interactions. On the other hand, if success is defined as how the organization as a whole manages change, then you might ask employees to fill out opinion surveys before and after the change initiative.

RECOMMENDATIONS

An effective change management process can't be an afterthought. Indeed, it requires a comprehensive effort involving all levels of the organization, driven by top management. But companies have no choice. Change is a constant. In order to succeed and thrive in today's rapid-paced and tumultuous market, organizations need an agile workforce that can effectively respond to, adapt to and perform under these conditions. Develop a plan with measurable goals. Identify and develop effective change management behaviors within the workforce. Carefully implement a process that includes leadership support, development, effective communication and success measures. By following these steps, your organization's workforce will have the agility needed to meet the high demands of the change initiative, performing at the levels you need to ensure the company remains competitive and achieves its strategic goals—even in today's tough economy.

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Provide a Two-Tiered Process for Employees and Managers

For best success, an effective change management strategy should take a two-tiered approach. Consider the experience of a global leader in the office furniture industry. To retain its industry leader position, the organization had to increase world-wide growth initiatives, while maintaining its sales and profitability levels. Achieving that required a major change strategy, including new streamlined manufacturing, technology and personnel processes, and the elimination of operational silos. Success could only be achieved with the participation of a fully-engaged workforce.

Working with Right Management the company designed an integrated, two-part process aimed at employees and managers. The employee program showed individuals how to navigate change successfully and manage their careers using Right Management's change readiness assessment and other tools. Managers (who were in the midst of adapting to the change themselves) developed essential change leadership skills and learned to hold career decision conversations with their direct reports.

Results as shown in a pre- and post-program survey:

	Before	After	Variance
Managers Ready to Lead Change	59%	94%	+59%
Employee Confidence Level in Ability to Adapt to Change	52%	94%	+80%
Employee Confidence Level in Ability to Determine Short- and Long-term Career Plans	53%	90%	+70%

About the Author
Dr. Deborah Schroeder-Saulnier is Senior Vice President for Right Management's Global Solutions Team with responsibility for overseeing the firm's Organizational Effectiveness and Employee Engagement solutions portfolio — focused on aligning talent management strategy with business strategy.

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