MANAGING CHANGE FROM

THE INSIDE OUT

by: Mark H. Fowler

Employee involvement is the key for successful change in any organization. Their enthusiasm, energy and support are essential to make change successful. It is essential that employees have a vested interest in the end result.

Most employees are loyal to their companies. Many make sacrifices by working long hours and taking on additional responsibilities. Why do they do this? It's because they see it their duty and something that's part of a larger purpose. That's why the employees' energy and connectedness can be in the glue that holds the business together.

What is transition?

Companies go through major transitional times during their development, such as during a merger or acquisition, the death of an owner, a shift in generational management, the development of new products and services, new marketing and sales programs, a new corporate image, a time of financial and political crisis and a period of rapid growth and expansion.

The new reality is that change is the norm. Most people don't notice the subtle changes that occur every day. Thus, transition can be viewed from two vantage points. The first is the major "period of change," because it is easier to identify and to do something about. The second is to acknowledge that change is happening all the time.

Managing change

During major periods of change, employees can offer constructive ideas, unite to foster teamwork, create a sense of purpose and energy to counter feelings of confusion and chaos and serve as a sounding board for how changes are actually working.

Day-to-day, employees can be an "early warning system" for what and how change is occurring. They can bring forth news from all aspects of the organization so that it can be consolidated and be looked at closely by management. This way change doesn't strike terror; instead, it becomes synonymous with opportunity.

When crisis occurs, employees can help

There are many reasons for a crisis or a "turnaround" situation. Today's uncertain economy is a prime example. Whatever the reasons, it is important to focus on understanding what is happening in their worlds when we involve employees. They can help make things work more effectively.

Employees themselves are not responsible for the following situations. However, their involvement and support can help mitigate and even eliminate the effect. In some cases, employees can actually have a positive impact.

•   Inattention to developing corporate growth. All companies grow, have growing pains and make mistakes. To shift to the next level, company leaders must make substantial changes in themselves and in their businesses. When developmental issues are not addressed, crisis becomes a central theme.

Employees live moment to moment. They are often more in touch with a company's ups and downs than management realizes. They are a great asset in monitoring and resolving situations as they occur, not just when they are critical.

•   Lack of concentration by owners and managers. Believing that "we have succeeded and can relax now" is a common mistake.

It may be time to take a well-deserved break. There might be people who could help run the business. Delegation, empowerment and training should be the order of the day.

•   Allowing nepotism and favoritism. The right people, the right job. When you don't live by that philosophy, you create an atmosphere of bifurcation between employees who really know what they are doing and others who are merely getting by. Many good ones read the writing on the wall and leave. The others stay and contribute to mediocrity.

It could be time to reward the ones who really do their jobs. It could be time to initiate a mentoring program where employees help train each other so that everyone can do a good job. It could also be a good time to let some people go so that others can thrive and your business can grow.

- Poor communication with employees, customers and outside stakeholders. An environment for success occurs when people understand their roles and duties, feel appreciated and empowered by being "on the team." Otherwise, the result is confusion, rework, customer complaints, bad products, and poor attitudes.

Involve employees in the business. Be forthright in giving bad news instead of running from it. Employees rarely run from a crisis; in fact, they usually see it coming and will eagerly step forward to help if you are upfront with them.

- Philosophical discontinuity. A major cause of business failure is senior managers not being aligned philosophically with each other or with employees. Here are some of the belief conflicts that contribute to crisis:
1. Treatment of employees — stick vs. carrot;
2. Incentives and compensation—motivation vs. criticism;
3. Pricing—low-ball vs. value-added;
4. Communication—only tell them what they need to know vs. open book management;
5. Quality of product or service— attention to detail vs. it-will-get-by;
6. Spending money—investment vs. save a buck.

Study and observe employees, communicate, ask open-ended questions and build a rapport with your employees to learn the true philosophical dynamics of your workforce. Your HR department or an outside consultant can assist in the area.

Involving employees in change

The following actions are good business practices that can be put in place during a period of major transition or as preventive maintenance:

A. Banish blame from the workplace. In most situations where something went wrong there are a variety causes, not just one thing or one person. Learning what happened is more important than finding out "who did it."

B. Develop a communication system—one that works for the whole community, management and staff. By giving people simple and consistent day-to-day tools for communicating, they are automatically open to working with each other.

C. Establish a habit for listening first, talking second. Everyone has something to say, but as managers and owners we have a duty to listen and create an environment of appreciation.

D. Create an in-house newsletter that is about the company and the employees. People want to feel connected and the in-house newsletter will help do just that.

E. Solicit input from employees. Interviews, questionnaires, focus groups, special project committees or company-wide meetings are good ways to get employees to open up. What is essential is that the information received is honored and respected.

F. Establish an advisory board of employees, which may include outside resources. The objective is to create a forum for ideas that can establish a feedback loop connecting management and employees.

G. Make a point to acknowledge and reward people for their efforts and accomplishments. A simple note on the community board, a notice in the in-house newsletter or a memo to all staff can let people know they are appreciated.

H. Trust people to do things. Allow others to take on projects and assignments that you believe only you or your select managers can handle. Others can often add as much or even more value to a situation than those closest to it.

I. Let people go who don't belong. Most people don't do well in their job for two reasons: 1) they are not properly trained or suited for their duties and 2) they are not interested in the work. If training or changing job duties does not make a difference in performance, it is probably better if the person makes his or her own transition.

J. Create an "early warning system" for better overall communication. This can take many forms, both formal and informal. It can mean a reward system for information. It can mean establishing key indicators where everyone benefits. It must, however, never become a vehicle for punishing others because we are talking about clearing up confusion, not adding to it.

K. Support accountability. Encourage employees to be both responsible for the work and accountable to the company. When you let people slide, the company slides.

L. Reinforce the concept of empowerment. Give people the appropriate responsibility and authority to do their job, as well as the training necessary to do their job correctly.

M. Create special project committees to resolve specific operational issues. The team creates an outline of the issues and a road map for resolving them. People enjoy giving presentations to the other team members. It creates goodwill.

Where to go from here

Keep in mind that some employee groups are more ready than others to assume more responsibilities. Others have been held down or skewed for various reasons as to their perspectives and are not ready for additional duties. The managers also need to be considered. You can't ask managers to change overnight what has become ingrained. Things usually take time and patience and perhaps some in-house training.

On the other hand, we are always amazed at how little change is required to make major shifts in an organization. And, often these little changes pay big dividends. The effort is always worth it.