Bold Ideas

Managing Change in Turbulent Times

By Mark H. Fowler, CMC, CPA

Congratulations! You weathered 2001. You may be a little more battered, but who wasn't? Whether you had a banner year, or you found yourself mired in the global credential controversy, staffing shortages, layoffs, a merger or Sept. 11, every business across California and the nation is different now than it was a year ago. How does the old adage go? The only constant is change.

Your business' success depends on whether you approach change as an opportunity or a threat. Change offers an opportunity to make "course corrections" so your business can move forward. The opportunity to expand services, increase revenue, improve communications and enhance stability is a strategic planning windfall that promotes growth.

And as you embark on your next major transition, consider this bold, yet simple, idea: Some of your best allies are your own employees. This holds true whether the change you face is the death of an owner, a shift in generational management, the development of new products and services, new marketing and sales programs, a shift in corporate image, a financial or political crisis or even rapid expansion.

EMPOWER EMPLOYEES

The most important ingredient for successful change is employee involvement—their interest, active participation, energy, creativity, good nature and support are essential. And, to maximize the return on employee effort, it is fundamental that they are vested in the end result.

For example, my client was a CPA firm with three partners, all of whom were headed in different directions. As part of the change process, we conducted an employee survey. The results indicated that the employees were extremely interested in running the firm. We instituted an employee bonus program that allowed this to happen, and the result, after two partners left, was more business than ever for the partner and staff who remained. The new way of operating the firm empowered the employees while at the same time allowed the partner to navigate the ship rather than worry about every problem in the hold.

Employees can contribute new ideas to increase operational effectiveness, bond together to create an enhanced sense of teamwork, instill a new feeling of purpose and energy during a time of possible confusion and even chaos, and provide feedback on the change itself. This holds true for all sorts of change scenarios such as implementing new information systems, realigning job responsibilities during downsizing (or expansion) and more.

When employees have "ownership" in their company, they are more likely to go the extra mile. Employees have petitioned for substantial pay cuts, while management has sought only minor reductions for themselves. Employees have worked excessive hours to get things accomplished because it was the right thing to do, and so on.

COMMIT

Before you can ask your employees to participate in the change process, management has to agree on a vision for the change and be committed to getting employees involved. Employees will recognize if management's buy-in is contrived and become resistant to change. Worse yet, in the case of a start-stop scenario, employees can lose their trust in management and change will be nearly impossible.

In most change scenarios, employees will have to take on new responsibilities or learn new skills, and for some this can be daunting. Make sure you support your employees with the appropriate training as well as an awareness that it takes time to develop new skills.

To implement any new idea, particularly one that is a departure from your current business practices, you'll need to assign someone or some department the responsibility of championing change. In many cases, this is the human resource staff, who often serve as a naturally ally for both management and staff.

BOLD IDEAS

So, what changes will you need to make to your core business practices to create an environment that fosters successful change? Try implementing these ideas to help your employees and management team ease through transition. Alone, each idea is simple enough, but as a whole they represent a bold philosophical shift in the way most people do business.

Banish Blame: Blame doesn't work. When something goes wrong, generally there are a variety of causes, not just one event or one person. Find out what happened and understand the root causes of the problem. This is especially important during a crisis situation when you don't want to attack your most valuable people because they were trying to help.

Develop a Communication System: A communication system should work for both management and staff. Simple, consistent communication tools are best as people are generally more receptive to something that is easy to use and understand.

An example is S.H.A.R.E.®, which stands for Stop, Help, Ask, Risk and Explore. It works like this:
- *Stop* a discussion if there is a lack of understanding;
- Get *Help*. This may require inviting other team members to become involved;
- *Ask* questions to clarify and gain new information;
- *Risk*. Show that you are open to new ideas and investigating new opportunities; and
- *Explore* all of the possibilities so that issues can be resolved or ideas can be advanced.

Listen First, Talk Second: We all have something to say, but as managers and owners, we have a duty to listen to those around us to create an environment in which employees' ideas are encouraged and appreciated.

Create an In-house Newsletter: An in-house newsletter about the company and employees can help employees feel connected.

Solicit Employee Input: This can manifest itself in various formats: interviews, questionnaires, focus groups, special project committees or company-wide meetings. What is essential is that the information received is honored and respected—there are no right or wrong perceptions or ideas.

Create an Early Warning System: An early warning system for better communication can be formal or informal. Basically you are creating a process by which employees can alert management and each other to trends and changes within your business or industry. A reward system helps to facilitate employee involvement. Your system must never become a vehi-

cle for punishing employees—you want to clear up confusion, not create it.

Establish an Employee Advisory Board: The board may include outside resources, but the objective is to create a forum for ideas that can establish a feedback loop connecting management and employees. This is a great way to validate the employee community's contibutions.

Acknowledge and Reward People: Acknowledge employees for their efforts and accomplishments. It can be as simple as a note on the community board, a notice in the in-house newsletter or a memo to all staff. Let people know they are appreciated.

Trust People to Do Things: Allow others to take on projects and assignments that you believe only you or your select managers can handle. You may find that others, because of their different viewpoint, often can add as much or even more value to a situation as those closest to it.

Let People Go Who Don't Belong: We have something we call the "one-in-20 rule." The rule states that it takes only one unhappy, ill-trained or dysfunctional person to negatively affect the other 19 people who work with or for them. Most people don't do well in their job for two reasons: They are not properly trained or suited for their duties; or they are not interested in the work. If you can't help the employee transition through these, then it is probably better if they move on.

Support Accountability: When people take on a task to accomplish something, they become responsible for the work, as well as accountable to the company and everyone within the company. A team means everyone holds up their end. When you let people slide, the company slides.

Reinforce Empowerment: Give people the appropriate responsibility and authority to do their jobs. One of our favorite techniques is to create special project committees to help resolve specific operational issues. The team gets together and creates an outline of the issues they have discovered as well as a road map of how to resolve the situation. The most rewarding aspect of this process is when employees make their presentations to the other team members. It creates a lot of goodwill and helps others better understand what is going on.

WHERE TO GO FROM HERE

First, look at the actions above as a menu—there are a lot of choices and all of them can work, but you don't need to implement everything to transition through change successfully. Rely on your own project management styles to effect change and include the above suggestions as you feel appropriate.

Remember that change takes time, patience and consideration. It is amazing how little change is required to make major shifts in an organization. And, often these major shifts pay big dividends. The effort is worth it and rarely will you fail as long as you are on the positive side of the ledger. 🔳

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