

DRIVING CHANGE SUCCESSFULLY

CONTROL WHAT
YOU CAN, INFLUENCE
WHAT YOU CAN'T**MARC SAXON**

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While many managers are experts in developing strategies they often lack the abilities required to drive change and successfully implement sustainable organizational initiatives.

OPERATIONS • INNOVATION • DIVERSIFICATION
• MANAGING CHANGE • LEADERSHIP

Greek philosophy tells us that everything is in a state of flux, of continuous change. At the beginning of the 21st century this statement applies to business more than ever. Companies around the globe are constantly re-evaluating their sales propositions and modifying their value chains, striving for a more international profile of their employees as well as trying to find ways to reduce the effect of continued high levels of uncertainty in the financial markets. All these initiatives require companies to engage in projects of organizational change.

Most people, however, have a pronounced affinity for the status quo and prefer things to stay the same. And many managers fail to understand the importance of driving change successfully and the role it plays in ensuring the lasting success of initiatives. Managers fail to see the importance because they believe that a well thought

out project plan is all it takes and that their staff will execute it accordingly. They assume that every stakeholder will be aware of the objectives and outcomes of these new initiatives, the impact on their roles and responsibilities and on the culture of the organization, as well as on the structures and processes. Critically, they also believe that every stakeholder agrees with the prescribed outcomes of the new initiative and that he or she will emotionally tune in and engage in the process. After all, the project plan is a result of rational thought and logical in its conclusions.

CHANGE MANAGEMENT

Unfortunately, this coherence between management and organization is seldom the case. And even if it were the case, why take the risk of misalignment? Why not ensure that a project plan always includes the pertinent change management milestones and activities? Based on our years of experience in the field of management training and change management we believe



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the answer can be found in the fact that many managers seldom find the time to develop the abilities required to drive change successfully. While being experts in developing strategies to reduce costs, increase sales or enter new markets, they often struggle to successfully implement sustainable major organizational initiatives.

Why is this so? Successfully implementing a new initiative – be it growth, operational excellence, diversification or innovation – will involve the need to mobilize the workforce, to engage multiple internal and external stakeholder groups, to examine the existing culture and sub-cultures, to alter existing operating models and organizational structures as well as re-evaluating the organization's core processes along the value chain.

Projects of such complexity are indeed daunting and generate a certain degree of fear or apprehension in everyone involved. The complexity is driven by the number of stakeholders engaged, the influence they exert during the project life-cycle, the expected benefits to be derived from the agreed investment and the undoubted pressure that will be placed on management and project teams involved to deliver on time and within budget. As a result, people involved in such projects often perceive them as something negative rather than positive. Thus it is no surprise that company-wide initiatives often fail for the wrong reasons: not because they are wrong, but because they are poorly managed.

To develop sensitivity to this problem, managers need to reflect on a number of basic issues. The first of these is “understanding”: the need to understand the rationale for the changes that the organization wants to make. A second one is “impact”: the need to assess the impact of the changes on the organization – and hence the level of change required. Finally, they need to be able to drive “execution”: the need to determine the type of change re-

quired and how it will be rolled out throughout the organisation.

Developing and navigating change in today's business environment is without doubt difficult to master. However, by understanding the type of change necessary (e.g., developmental, transitional or transformational), backed by the selection of the appropriate change strategies, the journey becomes infinitely less complex – and perhaps even enjoyable!

THE CHANGE AGENT

● A crucial element in achieving this more positive and harmonious attitude towards change is a thorough understanding of the role of the change agent. What are the necessary skills to implement change and execute strategy? What behavioral patterns support this process? While answering these questions generates some insights, it is only the first step. Developing and implementing the desired level of change within an organization is fraught with problems and, in many cases, leaders and managers will be entering *terra incognita*. It is therefore safe to say that without some sort of roadmap in place, the initiative is at an immediate disadvantage.

Roadmaps, however, are always subject to change, driven by today's dynamic business environment. One of the often underestimated drivers of these dynamics is the fact that today's mid-size and large companies are multicultural organizations. And while finance, marketing and operations are well reflected in today's curricula of leading business schools, the topic of multi-cultural management receives academic treatment, at best.

The best leaders are those who have a strong sense of self-awareness, retain a sense of authenticity and resonate positive emotions while not losing the focus on the task at hand. They work towards a strategic goal by making things happen in the organization, both along the analytical and the behavioral dimension.

MORE INFORMATION:

With the aim of providing an environment where managers can learn about and test their abilities in developing and implementing strategic initiatives in the service sector, IESE has devised the short focused program “**Driving Change Successfully**”, runs from March 19-22 in Barcelona. www.iese.edu/drivingchanges

Professor Sachon's blog: blog.iese.edu/auto/