LEADING LASTING CHANGE

Why Change Management Isn't Enough

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Executive Summary

Change initiatives and reforms are now an accepted part of organisational life and the drivers behind change are varied. The ability for an organisation to successfully implement change quickly is dependent on several factors, and failure for change to last is an expensive problem with widespread ramifications that impact more than just the organisation. While change management is an important aspect of successful change initiatives, change leadership is a critical element of change that is totally misunderstood and because of this, is a major cause of change failure.

Change leadership is not change management, and the two must both be performed well for change to be successfully implemented in an organisation. This paper discusses the impacts and causes of change failure and how organisations can increase the potential for lasting change with any change initiative by understanding and focusing on change leadership.

Introduction

Change management is now a common buzz phrase in business. We exist in an environment where reform and change, driven by economic, policy, market, compliance and other reasons, are constantly on the radar. These change initiatives have a major impact on an organisation, its employees and its stakeholders and the cost is significant. While successful change is an imperative due to the cost of failure, extensive research and data (Schooley, 2011) shows that 60-70% of change movements fail.

Change Failure – the Cost

The costs to an organisation of a change initiative failing is substantial – and these costs extend far beyond financial costs and are overlooked as they aren't immediately quantifiable.

- **FINANCIAL** – engagement of change agents, project delays, resource and infrastructure changes, potential overtime costs of employees and offsite workshops/events are all additional costs to an organisation. This issue is exacerbated when we consider how change activities can also result in an interim reduction in turnover due to reduced operational and employee performance/production levels. All of these factors are also negative impacts on organisational sustainability. For some organisations undergoing reform due to the need to meet compliance requirements, failure can also lead to loss of external funding which can be detrimental to the operational budget.
- **EMPLOYEE** – change has a massive impact on the wellbeing and job satisfaction of an employee. Issues that can arise are varied and can include a rise in stress/sick leave, psychological repercussion of reduced performance, issues around job security and an overall decline and stagnation in workplace culture.
- **CUSTOMERS** – as the main focus of any organisation, customers receive firsthand the impacts of any failure of a change initiative. Reduced employee performance, touchpoint inadequacies and process changes reduce the overall experience and product/service performance for the customer. These impacts can not only have far-reaching and unexpected results, but depending on the industry and service/product type, they can also result in injury, illness or at worse, tragedy. These can impact an organisation through

potential legal action, refund on products/services, loss of goodwill and reduced customer retention and reputation due to bad publicity.

- **COMMUNITY** – the ripple effect from customers and employees can impact on an organisation's community. Increased costs/reduced profits can also impact legacy initiatives where funding maybe reduced or stopped.

Why Does Change Fail?

We can classify change failure in three different ways:

- **FAILURE TO LAUNCH** - the initiative has stalled or collapsed partway through the process due to loss of momentum and/or poor planning;
- **FAILURE TO THRIVE** - change outcomes haven't embedded, and the organisation returns to its former state;
- **FAILURE TO WORK** - some or all practical applications of the change outcomes were not effective, efficient or pragmatic

The reasons behind a change initiative's failure are as complex as they are simple. Organisations put a great deal of focus and energy into change management which provides the framework to guide change and minimise organisational impact. While change management provides the controls by way of a plan and the tools for change, it doesn't address the one element that can't be controlled. People and their emotions.

Emotional State

People and the emotional state are key to the success or failure of a change initiative. The emotional state of individuals, teams and most importantly, leaders must be positive toward change for that change to not only last, but for that change to be done right.

If we examine the behaviours that follow specific emotional states, we can see the connection between positive state and the success of change:

| State	Behaviours & Feelings
Negative	- Disinterested - Resistant - Apathetic - Scepticism/Cynicism - Fearful
Positive	- Engaged - Passionate - Contributing - Energetic - Conviction

If we place these feelings and behaviours into a change scenario, we might encounter employees (and leaders):

- Who are distrustful or fearful of the impact the change will have on them;
- Sceptical and/or cynical that the current change initiative will succeed after experiencing a history of negative experiences from past change initiatives;

- Frustrated or overwhelmed due to a belief that it simply is a waste of precious time that is already overburdened;
- Disinterested as there is little or no understanding of how the change would be of benefit to them, their area of the organisation, or even the organisation as a whole;
- Apathetic as they feel disconnected from and/or have little ownership of activities that impact their part of the organisation.

In this context, we have discussed emotional state at an individual level, however the power of the 'emotional contagion' effect is one that individual state essentially transmits through team, culture and the organisation whether it is positive or negative (Langley, 2013).
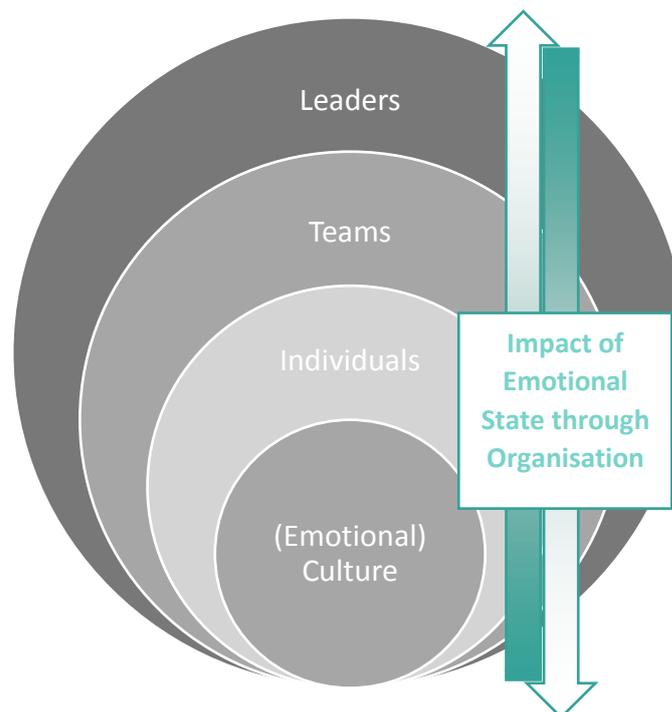
Given that people's initial reactions to change initiatives typically carry negativity, it is easy to see why any form of success is potentially sabotaged before a change movement has even commenced. This negative state becomes a contagion which transmits through the organisation and poisons the positive intention behind the change.

Leadership State

A commonly unrecognised problem is the inability of a leader to recognise and alter their own emotional state toward change. A highly skilled manager who is expected to lead change through their area while being in a negative state that could include resentment, fear, apathy or disinterest, cannot lead a team through change without the emotional contagion effect unless they possess the skills that allow them to self-reflect and recognise their own response to what is happening in the organisation and how they perceive this as impacting them.

Done Right

Another factor to consider is how 'right' change has been undertaken. While change initiatives have the right intention and change managers have the expertise to develop complex change management plans, this 'change layer' is positioned well above the frontline of an organisation where the 'real work' occurs.

Whilst communication strategies would attempt to inform employees and various tools would be deployed to engage dialogue, the responsibility of ensuring employees contribute to change initiatives lies squarely on the shoulders of managers and supervisors down the line.

The assumption that managers and supervisors possess the change leadership skills to understand not only the importance of, but how to include their staff in the practical manner of refining/redefining process changes is a dangerous one. While change must be driven from the top, 'change done right' is directed from the bottom. A whole-of-organisation approach is vital because without the contribution and valuable perspective from employees who are involved in a process and/or interacting with customers or customer touchpoints, there is a very real risk that change outcomes are not pragmatic (doesn't work in the real world) and ineffective.

Silent Witness

Without contribution, not only is there a higher potential for change not 'done right', but also future initiatives and ongoing performance is sabotaged. Contribution to a cause empowers people – so when employees see that they are just a powerless, silent witness to how their environment is being shaped and defined around them, they feel disempowered, unvalued and insignificant. The ripple effect through 'emotional contagion' has a devastating impact on organisational and emotional culture.

Agility – the Key to Organisational Sustainability

Organisations can no longer afford to be static. Shifts and trends change, and to stay in the game, an organisation must be agile and able to quickly respond to and benefit from market changes, influences, competition, demands, etc.

> *IT'S CRITICAL TO BE AGILE AND QUICKLY RESPOND TO CHANGE AND ACTUALLY BENEFIT FROM CHANGE. AGHINA & DE SMET, MCKINSEY & CO.*

The sustainability of an organisation hinges on it's agility to respond to change as it happens, or even before it happens. A less agile organisation gets pushed aside by competitors who are more agile. An organisation that spends too much time and money trying to change or failing to change, is an organisation is one that is unhealthy, but also potentially dying.

At the end of the day – an agile organisation is a sustainable organisation.

The Solution – Leading Lasting Change

The single biggest cause of change initiatives not having a lasting effect comes down to people. And the solution? People.

People need to be part of change – they need to have conviction of the cause so that they are invested and engaged, and they need to be empowered to contribute to the cause so that they have ownership of the outcomes, but also so that outcomes are right for the organisation and its people (employees, customers and stakeholders).

This is where change leadership enters the picture. Change leadership brings this all together – it is the skill of driving change by influencing and bringing people together to have conviction in a

common cause, and inspiring and empowering people to contribute to ensure the best possible outcome.

Change leadership is a very misunderstood concept. There is perception that managing is the same as leading – and that someone who has acquired management skills must also therefore have leadership skills. Unfortunately, this is not the case – they are two totally different skillsets that provide different outcomes.

Change Leadership is not Change Management

'Change Leadership' is a pivotal role within any change initiative – and a critical one for organisations who have a history of reform/change failure. Unfortunately, the importance of change leadership is either not recognised or it is assumed that Managers and Executives already hold these skills.

Change Leadership is very different to Change Management. Where Change Management provides the battle plan and the tools, Change Leadership drives, inspires and motivates people to pick up the equipment, get in the vehicles through the battle field to realise the ultimate vision.

Change Leadership – Are Rare Skill

As we're already discussed, people are the critical factor on the success of any change initiative. More specifically – the emotional state of individuals and how this has impacted the emotional culture of an organisation.

Emotional state determines whether individuals engage or disengage, whether they contribute or ignore, whether they are apathetic or passionate, whether they commit or sabotage. Leaders who develop the capability to perceive their own and others' emotional state, and understand, manage and leverage them effectively are the leaders who achieve productive outcomes during stressful situations such as change (Lanley, 2013).

> *"CHANGE LEADERSHIP IS GOING TO BE THE BIG CHALLENGE IN THE FUTURE, AND THE FACT THAT ALMOST NOBODY IS VERY GOOD AT IT – WELL, IT'S OBVIOUSLY A BIG DEAL"*
> *JOHN KOTTER, CHIEF INNOVATION OFFICER, KOTTER INTERNATIONAL*

Change Leadership is a skill that can be taught. Regardless of whether it's an executive, manager, supervisor or a single employee without supervisory responsibility, change leadership is an essential factor to successful change in every part of an organisation. The frontline employee who is empowered by their supervisor to inspire and create change at a process level is just as much a leader as the CEO who is leading a huge vision.

Change leadership is best understood as the convergence of 3 elements:
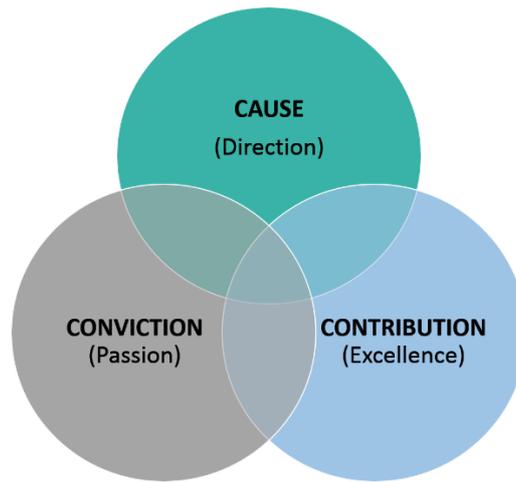
These three elements are actions in themselves and are undertaken both individually and simultaneously. Change leadership as a process is an iterative one that must be applied at different levels.

1. **SELF-LEADERSHIP**
   The ability of a leader to effect change across an organisation depends on their ability to affect change within themselves (Carucci, 2018). By learning self-leadership, becoming self-aware and understanding how to transform their own emotional state, a leader is born.

2. **TEAM-LEADERSHIP**
   A leader learns how to bring people together to have conviction and belief in a cause, give them ownership and make them feel empowered to contribute in order to reach a state where change is right.

3. **ORGANISATIONAL-LEADERSHIP**
   The organisation as a living entity is lead through successful change using a whole-of-organisation approach that unites the collective to a cause that holds conviction and purpose, and where the culture embraces and embeds change that not only lasts but is continually improving.

Change Leadership Is Learnt

So how is change leadership learnt? Change leadership is not learnt from managing change just as leadership is not learnt from managing. The reason why is because the focus is fundamentally different between leading and managing.

Managers	Leaders
Count	**Create**
Control	**Influence**
Work	**People**

There also exists a school of thought that leaders are born and not made, but evidence shows that the best leaders learn to lead (Stephenson, 2004). This is also true for change leadership which adds the complexity of dealing with emotional state and the impact/requirement of a change cause.

Saying this, there are some qualities that must be possessed by a person to truly allow them to become a great (change) leader. As we have already discussed, leadership (and change leadership) is about leading self and leading others, and self-awareness and people awareness – and a potential leader must possess or want to possess these skills.

Blueprint for Action

Change initiatives and reform are inevitable and your organisation's ability to successfully implement lasting change quickly and effectively is one that directly impacts not only the bottom line, but also your organisation's sustainability. An agile organisation is a thriving organisation and change leadership is a pivotal component of your organisation's ability to thrive.

Change is inevitable and required. Look at your own organisation and examine the current climate, performance and drivers. What change needs to occur right now? What reforms are pending or likely? What change initiatives have failed in the past despite the focus and energy spent on change management initiatives? Now examine the leadership aspect of your organisation. Are your executives, managers and supervisors able to lead and influence change? Are they change leaders?

Effective change leadership is fundamental and critical to lasting change, and dare we say, the sustainability of your organisation. Change leadership is a skill that can be taught and a good change leadership development program will not only provide a significant return on investment, it will also contribute towards a more sustainable organisation which is in fact the real currency.

Can your organisation lead lasting change?

About the Author

Kim Stokeld is a gifted strategist and runs a thought leadership on human value. She works with businesses, organisations and individuals to increase performance and achieve sustainable, life-changing results through a range of leadership, change leadership and organisational performance programs. Contact Kim to find out how she can help you or your organisation.

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