

# Managing Change: How can you De-risk, Engage and Flourish....

***How you handle conversations with your people will determine whether your business is populated with engaged “champions for change” or dis-affected “terrorists” whose central mission is to undermine yours. Rialto Associate Director, Michelle Lucas, explains how to avoid being one of the 70% of organisations whose change programmes fail***

Let me start with a story.....

After a gruelling day-long meeting, Charlie the CEO left the office, exhausted yet elated. Finally, after months of cajoling, persuading, arguing and negotiating he had agreement with his top team on how to re-structure the company.

It was going to be tough selling off one division and closing another but he knew it was for the good of the company and they could now start planning for a profitable future.

Next day his first job was to go and see Hannah the HR manager. “Good news” he said, “it’s all sorted, we’ve agreed the restructure” and with a wry smile added “looks like we’ll be keeping you busy for the next few months!”. Seeing her frown deepening into something that looked like a scowl he thought he should probably make a sharp exit.

However in an attempt to show his support said “don’t worry I’m happy to chair the Consultation Forum if you need me to?”

Hannah, who hadn’t yet had her first cup of coffee, was not about to be placated. “Wait a moment Charlie, don’t you know that 70% of all change programmes fail. If you want to ensure this company isn’t just another statistic I’ll be needing you to do a whole lot more than that!” Charlie knew now it was definitely a scowl not a frown and his own sense of elation was fading fast.

Knowing her point had been heard, she said “Why don’t you get me a coffee and we can work this through, you weren’t planning on doing anything else today were you?” Her smile had returned and Charlie began to relax “Espresso?” he said cheekily. “Better make it a double!” was Hannah’s reply.

So who did you identify with most? Do you think that all the hard work's in the decision or in the implementation? Having worked with many organisations going through change we know that the decision to re-organise is always tough, but it's a mistake to believe that all the hard work is then done.

In our experience, whether you come out the other side of the organisation buoyant or broken is all to do with you how manage the change with your people.

We have identified a three-stage process to help manage your organisational change successfully so that you come out the other side with a successful and sustainable business.

### **Stage 1 : De-Risk**

This is all about ensuring you know what people really think. Of course there are formal processes for consultation, but you need to think about more than this.

Typically those affected by the change won't like the news, but how you treat them during the change will depend on whether you have a "terrorist" or a "change champion" on your hands. Reducing your risk isn't just about ensuring you avoid tribunals, it's about how your brand is perceived in the market place.

Handle the change poorly and you'll be the talk of the wine bar with the war stories getting more and more exaggerated each time they are told. Handle it well and you'll have someone on the job market with their confidence intact, singing the praises of the great company they've left behind.

The "terrorists" and "change champions" are often seen as polar opposites – actually they have something in common, which also hints that there is a whole "other world" of people who we rarely consider.

The commonality is that both are activists – we don't need to ask them what they think, they're rarely shy in telling us. The people that we need to watch out for are those who are more passive, those who don't give us a clue as to what they really think.

The only way of finding this out is to listen – not just normal listening, you know the skill where you only keep quiet until you get a chance to speak? To really understand what's going on for your people you need to raise your game – there are actually five levels of listening and unless you are working at level 3, you're not truly "listening" at all.

## Stage 2: Engage

Now whilst all this change is going on, where is the focus of your attention? We'll bet that it's on the people that will be leaving the organisation - right? and we'll also bet that the change directly affects the minority of people in your organisation. Right too?

So, what about the vast majority who are not directly affected, aren't these the very people who hold the future of the business in their hands?

As tempting as it might be to focus on the change itself, you already need to have an eye on the horizon and ensure those that remain feel a deep and positive connection with the future.

Remember they will know how you have treated their colleagues and in the current market place they'd be forgiven for thinking they could be next.

Is this in your FAQ's "We have no current plans to make any changes in the foreseeable future." Which is of course code for there are no plans but there's no guarantees either.

Do you know whether the people who are still in your business feel like prisoners (who'll escape the first chance they get) or advocates (who'll willingly put in discretionary effort for the good of the business)?

The watch words are "communicate, communicate, communicate". Share your vision, explain your rationale, leverage the ideas of those closest to the action and you'll stand the best chance of creating the advocates.

Ok, so no real news there then. So how about we tell you something you may not know?

Whether you were aware of it or not, when you hired your people you not only created a written contract, you will have also created a psychological contract too.

Each psychological contract is unique to the individual and will have been formed when they weighed up in their own mind – shall I take this job, or shall I keep on looking? When you change the organisation, and how you change the organisation, you have the potential to unilaterally change everyone's psychological contract.

The only way to know for sure whether what you've changed is important to them is to listen well to your people. You need to find out what it's like for them when the organisation is changing around them.

When you know this, you can work out what you can do to re-establish a psychological contract that means they are engaged now and in the future.

Or perhaps you'll find you can't give them what they need. In which case it's time to support their sense of employability. Achieve this and when they are ready to leave they will give a positive account of an organisation which simply changed in the wrong direction for them.

### **Stage 3 : Flourish**

If you've worked through the first two stages effectively, you'll find that a flourishing organisation is an output of your efforts. You'll have found a way to maintain control whilst embracing flexibility.

You'll be focusing on people's strengths and finding ways to leverage them rather than focusing on remedial action. There'll be an active dialogue with your whole workforce and you'll be spotting problems before they become one.

We know that no two Charlie's and no two Hannah's are exactly the same and neither are the organisations they work in. We work collaboratively leading by example – first we listen, and I mean really listen, to what you need to achieve. There's no off the shelf packages just a desire to create flourishing businesses.

So if you're facing a change in your business come and talk to us. Our team of consultants bring a wealth of commercial, psychological and change management expertise. Contact us now to find out how you too can De-risk, Engage and Flourish.

*Michelle Lucas will be running a free of charge taster session on the subject of managing change relating to this article at the Rialto offices in London on the 20th September 2012. If you or a senior colleague would like to attend, [please click here](#).*