

# Have We Learned Nothing About Managing Change?

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Patrick, the baby of my extended family, started kindergarten last week. As a graduate of pre-school, we thought he'd be right at home in his new class. But after the very first day, he firmly announced that he wouldn't be going back to school. When questioned about this decision, he admitted that the teacher was nice enough, and all his friends were glad to see him, but (and to Patrick, this was the deal breaker) there was no naptime.

No naptime! In Patrick's school, 5-year olds are being asked to "pay attention" from 8 am to 3 pm without an opportunity to rest and recharge. Have we learned nothing about educating young children?

Which started me thinking about my work . . .

I've spent the past twenty years helping individuals and organizations thrive on change. Yet, recently, I've seen leaders making some of the same mistakes I noticed two decades ago. Have we learned nothing about managing change?

I don't mean to minimize the complexity and chaos that leaders are facing. Rapidly changing technologies make yesterday's choices obsolete. The turbulent economy increases pressure to "do more with less." Companies rely on a shifting stream of alliances - competitors one day and partners the next - and sometimes both at the same time. Corporate reorganizing is becoming an annual affair. Mergers and acquisitions are on the rise. Customers are demanding "better, faster, cheaper" *everything*. Competition is fierce. The pace of change is accelerating. And employees are increasingly skeptical about committing to business strategies that are constantly being redefined.

Yet this is our reality - and in this world, leadership success belongs to those who can keep a work force resilient, positive, and engaged while dealing with the tsunami of change that is turning our organizations upside down. Here are the five most common mistakes leaders make managing large-scale organizational change and the lessons we need to reinforce.

**(1) Mistake: Not understanding the importance of people.** As high as 75 percent of all major restructuring fails, not because of faulty strategy, but because of problems with the "human dimension." After years of research studies and statistics, we know this for a fact. And yet, as recent as last month, a vice president facing the transformation of her department asked me if she really had to include her employees in planning for the change.

**Lesson:** Organizations don't change. People do . . . or they don't. If employees don't trust leadership, don't share the organization's vision, don't understand the reason for change, and aren't included in the planning, there will be no successful change regardless of how valid the need or how brilliant the strategy.

**(2) Mistake: Neglecting the emotional side of change.** Transformation requires a redefinition of who we are and what we do. It's often unpredictable (responding to unforeseen circumstance) and unnerving (requiring employees and businesses to reinvent themselves while they are at the top of their game). It can twist people's past success into their greatest obstacle for the future. It's highly emotional.

**Lesson:** To lead an organization (or a department or a team) through transformation, it is not enough just to appeal to people's logic, you also have to touch them emotionally. Change leadership is about creating meaning. Employees need to be engaged by a vision of the future,

and to be inspired to execute that vision. This takes leaders with a deep understanding of human emotion, who can see the power of intangibles and can capture the imagination of an entire work force in the pictures they paint and the stories they tell.

**(3) Mistake: Not being candid.** Under the rationale of protecting people, leaders present change with a too positive "spin." And the more they "sugar-coat" the truth, the wider the trust gap grows between management and workers. Organizational communicators, perceived as the purveyors of corporate propaganda, lose credibility as well.

**Lesson:** Honest communication goes beyond simply telling the truth when it's advantageous. It requires an unprecedented openness and transparency: a proactive, even aggressive, sharing of everything - financials, strategy, business opportunities, risks, failures. People need pertinent information about demographic, global, economic, technological, competitive, and industry trends. They need to understand the economic reality of the business and how their actions impact that reality.

**(4) Mistake: Defining "change communication" as what employees hear or read from officially sanctioned sources.** Reflecting this belief, leaders focus most of their attention on traditional communication vehicles -- speeches, newsletters, videos, intranets, email, etc. Yet, from the employees' perspective, traditional communication accounts for only ten percent of what convinces them to change.

**Lesson:** The most powerful change communication, accounting for 90 percent of what impacts a work force, is divided evenly between organizational structure (whatever punishes or rewards) and leadership behavior. Rhetoric without congruent action quickly disintegrates into empty slogans. A communication strategy that is not aligned with organizational systems and the actions of leaders is useless.

**(5) Mistake: Trying to lead change with command and control tactics.** In a command and control culture, only top executives are expected to solve problems, make decisions, and set the change agenda. Such a limited view not only places an enormous burden on senior management to come up with all the answers, it also restricts the contributions of the rest of the organization and widens the division between *them* and *us*.

**Lesson:** A company's competitive advantage is a combination of the potential of its people, the quality of the information that people possess, and the ability to share that knowledge with others in the organization. During transformation, leadership's primary challenge is to link these components as tightly as possible. The most successful change strategies are highly collaborative. Developed in participative sessions, these strategies capitalize on the wisdom, experience, and creativity of employees throughout the organization.

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