Everything is changing but change management. Why is it not working?

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In today's highly competitive, technologically disrupted business environment, one thing that's a constant across all industries is change. It cannot be ignored—it must be tackled.

Case in point: I was recently in Leon, Mexico, conducting a two-day workshop for 40 high-powered CEOs and entrepreneurs on Change Management. This was my third trip to this executive training program at Universidad Tecnológica de México, but it was my first workshop on how to manage change when you're facing all types of challenges surrounding your business.

Many of the Mexican executives' issues are typical of ones we work on with our SAMC clients here in the US, namely: how to change quality assurance processes that don't catch major "goofs" that threaten their product's quality. From a salad dressing manufacturer to

a software engineer, all of them needed to address holes in their company culture that have caused their organization to fail on quality.

Another issue that kept coming up in the executive training workshop involved family firms transitioning to the next generation of family members. Change was challenging many of the older ways of doing things, ways which the elder generation thought were the "right" ways. How could they embrace the new ideas coming from the next generation and still believe that they were running their companies properly?

Then there were businesses whose own clients would not accept new ways to do things. Whether it was a construction company with better ways to build buildings or a data analysis company wanting its clients to understand why data is important and how to use it effectively, the change problems were similar.

These CEOs who are struggling with changing their organizations were very much like those in the US and even in India where we have clients. Here are the recurring themes:

- Acquisitions that don't bring about the synergies that were expected.
- Family firms bringing on professional managers without the added value that was anticipated.
- Higher education institutions trying to transform their organizations into ones that can be more agile and customer centered.

This is a time of rapid change. Yet, few of us like to change or really know how to adopt new ways of doing things that are better than those we have done in the past. Even though change is pain, this might be a great time to do just that.

Classic Thinking on Organizational Change Management

Whatever your own change challenge might be, you may have turned to traditional models in the change management industry for guidance. Kurt Lewin's 3-step process and the 8-step process designed by John Kotter both assert that the change process begins, and is driven, from the top down.

Both models embrace the core idea that the CEO should be the champion who drives change. He or she will be the one who creates a sense of urgency and a skilled team of experts tasked with seeing it through. This team will develop the vision and the strategy, and these should be simple enough for all employees to understand.

Next, middle management needs to get involved to facilitate the top-down implementation of the plan. Every employee needs to understand their role in the vision and get entirely on board. By using all channels of communication, the entire organization will adopt a change-centric mindset.

Finally, an accountability and monitoring system should be put in place to monitor and reward desired behaviors, address and resolve resistance, and help staff members embrace the new way of doing things.

Sounds simple, right? In actuality, it's anything but.

Can These Traditional Models Really Change People in an Organization?

While these models make sense on paper, McKinsey & Company estimates that 70 percent of corporate change programs fail to achieve their objectives. This is in large part, but not exclusively, due to the bulk of the employees resisting, not caring, not understanding or simply not embracing the need for change.

When the program fails, it's easy to blame the resisting employees, which many organizations do. But maybe the leadership was less committed to change than they appeared to be. Maybe middle managers did not really understand what senior leadership was envisioning. Or maybe the "new" just didn't work.

Maybe It Is Time to Change "Change Management"

At SAMC, we believe the main reason traditional models fail is because they consider top management to be the sole originator of change. Employees are seen as nothing more than implementers, and whatever insights staff may have are entirely disregarded. In addition, the old models tend to chastise those with different ideas, often branding them as "resisters." In such an intolerant environment, there's very little chance for creativity, openness or innovation to make any headway.

The old models also emphasize a steadfast commitment to staying on course regardless of the circumstances. However, this isolates the organization from critical feedback that would actually help it improve its change execution over time. Adaptability is a key part of successful change processes, but this typically gets buried in the traditional change management models.

Furthermore, the traditional change programs are typically implemented as intermittent projects. They have a beginning and an end and between these two goalposts, several big-ticket items are expected to be solved once and for all. But once completed, more often than not the organization then falls back on its old ways of doing things until the next big project is started. What they fail to see is that change is not "one and done." Rather, it's a continuous process.

In the end, all of these issues are symptoms of a more systemic problem, which is that most organizations are not set up for rapid change (or change at any pace). No matter how much top managers may talk about change, most businesses' DNA revolves around stability, risk-avoidance and compliance with authority. And when traditional change management

processes try to fix the symptoms, not the disease, it only results in friction, resistance and company fatigue.

So What's the Answer?

According to Douglas McGregor in his management book, *"The Human Side of Enterprise,"* there are two main ways that companies manage their employees (which by the way, greatly affects their ability or willingness to change).

The first relies on the presumption that people are inherently lazy, gullible, avoid responsibility and want direction. Following this logic, management will implement tight control and coercion of employees to achieve organizational objectives, like the old, traditional change models discussed above.

The second presumes that employees are self-motivated, can independently solve problems, and will eagerly take on responsibility to support company objectives. In this mindset, the managerial focus is on encouraging the intellectual potential of each individual, resulting in empowerment, job enrichment, innovative thinking and participatory leadership.

Guess what? Both attitudes toward employees are self-fulfilling.

When managers see their employees as lazy and use rewards and punishment as the primary means of motivation, workers' sense of achievement, self-esteem, growth and belonging are never recognized or encouraged, leading to resistance and resentment.

Conversely, when employees are lauded as self-motivated responsibility-seekers, a positive feedback cycle is put into motion where staff members will become even more motivated, more engaged and more productive. Therein is your change. And it sticks.

At SAMC, we've actually seen it happen. As corporate anthropologists and culture change experts, we are brought in when organizations need to change, often because they're in a crisis. Sometimes we're asked to develop a strategic plan that incorporates change, or to help with change implementation. Either way, what we've experienced time and time again is that for true, lasting change to happen, the entire organization needs to "see, feel and think" in different ways. From the CEO down to the rank and file, everyone must buy in to a new way of doing things, or the change won't last.

## For Change to Take Hold, You Also Need to Align Your Culture

As well as buy-in, everyone in the organization must espouse the same culture. At SAMC, we use the Organizational Culture Assessment Instrument (OCAI) developed by Drs. Kim Cameron and Robert Quinn at the University of Michigan. This highly effective tool assesses current and preferred organizational culture by asking employees and other stakeholders about their company's culture and what they would prefer it to be in the future. This allows

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us to identify if the organization's culture is properly aligned or needs major realignment. If adjustment is needed, our ChangeMap™ process shows companies when and how to stop, start or redirect so they can achieve lasting change.

How To Achieve Culture Change, Step By Step

Is meaningful and lasting culture change possible? Yes. But, it takes genuine buy-in from the executive leadership and a strong understanding of the current vs. desired corporate culture. If these fall into place, culture change can indeed not only happen but revolutionize a company.

To better understand the necessary steps an organization needs to take to bring about real change, watch, listen and share my slide show on YouTube: www.bit.ly/2YTQViE
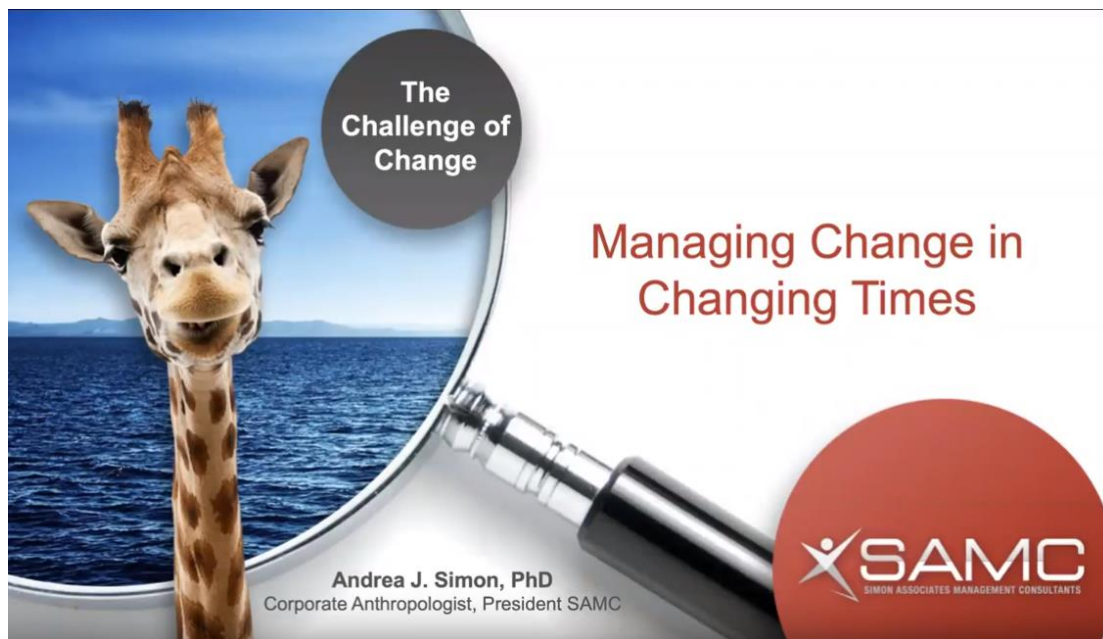
Ready to Embrace Change?

At Simon Associates Management Consultants, our specialty is helping organizations accept, prepare for and adapt to change. Applying the tools, methods and principles of anthropology is one of the primary ways we do this. We invite you to contact us to discuss how our team of specialized corporate anthropologists and culture change experts can work with you so that you and your business can overcome today's challenges and boldly embrace the future. We look forward to hearing from you.

About the Author

Andrea (Andi) Simon, Ph.D., corporate anthropologist, founded Simon Associates Management Consultants (SAMC) over two decades ago to bring the unique perspective of anthropology to businesses and organizations that need or want to change. As a culture change expert and trained practitioner in Blue Ocean Strategy®, she helps a diverse range of organizations "see, feel and think" in new ways, finding better solutions for their current customers and "big ideas" to attract future ones. Contact SAMC to find out how Andi and her team can help your organization drive change, overcome challenges and reach your potential for success.

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