



THE “NEW REALITY” WAY TO SHAKE UP A COMPANY

A Rebuttal to Business Week Article: “The Right Way to Shake Up a Company”

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“It is not necessary to change. Survival is not mandatory,”

W. Edward Deming said decades ago. Since then, the pace and complexity of change have done nothing but increase yet peoples resistance to change — at least in the work world — continues unabated. One of the biggest challenges leaders of today face is driving change in their organizations. Even if it is a matter of organizational life or death — as often it is — many employees will resist change, any change, with all their might. The challenge for most organizations today on the surface appears to be, how to increase speed to the marketplace, how to create and sustain innovation, and how to improve the agility of the organization, in essence, how to create a more change adaptive culture. That is the challenge on the *surface*. The real challenge, the one thing that stifles all of these efforts, is overcoming employee’s resistance to change. Here then are some “New Reality” words of wisdom juxtaposed against the “Old Reality” thinking for all of the struggling, suffering change agents out there:

“Old Reality”

There’s nothing wrong with being humble*:

Effective change agents don’t go around shouting about it,” says Dev Patnaik, managing associate of Jump Associates. “The smarter ones don’t want to seem interesting, but interested.” That’s especially true if someone is brought into a company to transform some part of it, but it also makes sense for a manager who has been promoted or given a new assignment that is likely to disturb the ecosystem. As Miriam Javitch, director for global organizational change at YSC, a management consulting firm, says: “Understand and honor the DNA of the organization. The system will reject you otherwise.”

“New Reality”

Change Agents care about the customer — not humility:

True change agents are interested in the best outcome for the customer and the organization. They are convicted and determined. They usually don’t worry about whether they are perceived as interesting or interested. They are worried about results. This often puts them at odds with the accepted norms. They may seem brash, outspoken, and even disrespectful of the status quo or “How things are done around here.”

Understanding the DNA of an organization is one thing. Honoring the DNA for fear that you will be rejected is quite another. Smart Change Agents understand that there is an established way of doing things. In fact, they can’t suggest or create change until they know what needs to be changed. Honoring the “old way” for fear of rejection is a recipe for failure. Think about it, the current “DNA” is producing the current results, and obviously those results are not acceptable or you wouldn’t need to change. Besides, the system will always reject any change, simply because it is change. The current system is built to protect itself.

“Old Reality”

Pay attention to the informal networks*:

It’s not enough to win the support of the leaders high up in the hierarchy (although without the backing of the chief executive, the chances of failure are pretty good). You also have to convince the opinion leaders — those who influence employees in ways no organizational chart will reveal. “if an individual simply invokes the name of the CEO to ask for change, they’re doomed,” says Janice A. Klein, a senior lecturer at Massachusetts Institute of Technology’s Sloan School of Management. “You have to build a network and a case for change.”

*Berfield, Susan. “The Right Way to Shake Up a Company.” Business Week (February 2007): 73.

“New Reality”

Create your own network for driving successful change:

You do have to build a network and a case for change. The network, however, isn't determined by the hierarchy, position, or title. It would make the process easier if Senior Executive Leadership were on board and driving the change. They won't always be, however, and Change Agents are going to have to drive the change anyway. Likewise, the network will be moved by the people with the right behaviors, not those with the right words. Additionally, it won't be the network that will create the successful change; it will be the network that creates the critical mass that will create successful change.

The case for change needs to be based on factual, informative communication, not inspirational “This is going to be great” hyperbole. It also needs to be communicated loudly, continuously, and consistency throughout the organization. Lastly, and most importantly, the case for change needs to be tied to the Business Case. “How is this going to benefit the customer or marketplace?” has to be at the heart of any case for change.

“Old Reality”

Determine a company's tolerance for change*:

In some cases, if you move too quickly, you'll lose credibility; in others, if you wait too long, you've lost your chance. For outsiders in particular, it's important to suss out a few people who can be informal advisers — cultural interpreters, if you will. “Listen to them to understand any symbolic faux pas,” says Jane M. Stevenson, a global managing partner at recruiters Heidrick & Struggles International.

“New Reality”

Determine the customer's expectations for change:

It does not matter what a company's tolerance for change is! Let's say this another way: It does NOT matter what a company's tolerance for change is! The need for, and pace of, change is dictated from the outside in. It is dictated from the customer and the marketplace. In today's environment you rarely have time to suss out informal advisors, find and consult with cultural interpreters, build a consensus, or Tip-Toe around symbolic Faux Pas. You have to deliver what the customer demands — Now!

Credibility is not determined by pace. It is determined by marketplace alignment. Too fast or too slow is not determined inside an organization. It is determined globally. Today's pace demands organizations that move quickly, take risks, make mistakes, and innovate for the customer. If you have people in the organization at any level that are trying to slow things down...true Change Agents run over them, around them, or through them.

Today speed is critical. It is critical to successful change, it is critical to organizational survival, as it is critical to the ability to deliver in the marketplace. Paying attention to or investing time in, a company's tolerance for change is a red herring at best and is irrelevant and paralyzing at worst.

“Old Reality”

An early success can do wonders.*

When you are pushing for a fundamental transformation of a company, don't try to do everything right away. “Have a big dream, but don't do a lot at once,” says Vijay Govindarajan, a professor at Dartmouth's Tuck School of Business. Taking a small step first gives you credibility, contains the risk, and, even if you make a mistake, gives everyone the opportunity to learn. Companies and people, he says, have a finite capacity for change.

“New Reality”

Early success is nice — ultimate success is critical:

You don't get to determine “how much” transformation you would like to try, the marketplace does. You don't get to decide “how much” you need to do right away, the marketplace does. You don't get to define “how big” a step you would like to take. The customer does.

If you are pushing for a fundamental transformation of the company, chances are it is overdue, critical to your future, and being demanded by the customer. Taking your time, taking baby steps, or trying to “contain the risk” is a typical organizational response that puts you on the edge of oblivion. Your customers will not wait for you to find or create small successes that will allow you to build momentum, which may eventually position you to respond to their immediate demands.

In today's complex, rapidly changing world an individual or organizations capacity to change can neither be finite or a consideration in how, or how quickly one responds to the marketplace. People and organizations are going to need to change as much and as fast as the world demands — or they will be left behind.

These recommendations aren't the right way to shake up a company. They are the only way to save a company for the moment...and the next moment...and the next.

*Berfield, Susan. “The Right Way to Shake Up a Company.” *Business Week* (February 2007): 73.