newportconsulting
engage deliver sustain

How effective change management boosts business performance

By David Hand

Change management has become a common role in many corporations. The self-evident reason for the increase in change management is the rapidly evolving business environment we live in. External change drivers such as digital disruption will drive us out of business unless we change in response to them.

Any change by its nature is difficult and success is by no means guaranteed, so how we manage change can be of profound importance. Here are some thoughts about change and how to manage it.

1. **Change management must be strategic.**
   When you read up on change management principles, you will find that in general, it is not strategic. Rather, the focus tends towards methodologies and approaches rather than the reason change is necessary. This is understandable because most change practitioners are looking for ways to carry out their responsibilities effectively. A strategic approach to change is to describe the end point. Why are we changing? What are we changing to? How will we know we have successfully changed? These questions speak to the fundamental drivers of change and most change managers are engaging in the change process well after such questions have, or should have been answered. This is an enormously significant issue because it speaks directly to change resistance. If the leader has not explained to the people how and why change is necessary, resistance will most likely cause it to fail.

2. **Most change is a reaction.**
   There is nothing inherently worthy about change for the sake of change. We've all read about innovative ideas that have taken a business to great success. However, most change is designed to solve a problem. Revenue is falling because your competitors have improved their services, which drives change in your business as well. Costs may be running too high and transformational projects are being developed to reduce those costs.

3. **Change is a leader's task.**
   The best person in a business to champion change is the leader. In the absence of this, too many employees will see the change as bad or optional, placing an unreasonable burden on the change programme. Change in an organisation needs to be an outcome of leadership, not something where the leaders are uninvolved. The board, the executive

or the CEO are the starting point of any change and it is a vital role of a change manager to enlist this. The change programme rarely has the capability of winning support and cooperation without the enthusiastic engagement of the CEO.

4. **Change management should focus on behaviours.**
   It is one thing to give a business unit a new capability but something else entirely for them to use it. The transformation programme may have sold the capability of operating the business in a more effective way but have people taken the change on board? If the success of a transformation project depends on people doing things differently, the change manager's job is not done until that different behaviour is happening.

5. **Recognise how difficult change can be**.
   Changing behaviours is hard, and although superficially this seems obvious, far too many transformation projects are too optimistic about how easy it will be. The coaching necessary to establish the behavioural change takes a significant amount of time, so when a business chooses to invest in transformation, optimism that it will be easy has the handy benefit of significantly reducing the cost in the business case. This benefit evaporates the moment a decision to proceed has been made, at which point the project team does not have the resources to deliver the benefits. The people taking part in the transformation will most likely receive superficial training on how to use a new system and then will suddenly find themselves abandoned with very little practical support.

In summary, change management has become common place in businesses today. To make the transformation most effective it needs to start at the executive level, with realistic and strategic goals. Any change programme should invest sufficient resources into behavioural change or it is at greater risk of failure.