

Change Management: An Overview

Anthropology Lesson: Leading Cultural Transformation

Indian management guru C.K. Prahalad expressed it best. Leaders universally acknowledge the need for revolutionary, game-changing ideas to prosper yet “no monarchy has ever fomented its own revolution”.¹ The inability of leaders to independently lead the change management charge is evident in IBM’s 2010 CEO survey. CEO’s rated their ability to manage change 22% lower than their expected need for this competency. This “change gap” has nearly tripled over the past few years.

Many corporate leaders need a course in anthropology. They change processes and systems but fail, or do not even attempt, cultural transformation. Healthy societies revolve around shared visions and values and so do healthy workplaces. Organisational change, not unlike revolutions, requires mass mobilization around a shared culture, vision and values.

First, employees must buy-in to the change process, help create it and align their actions and intentions with overall organisational values and goals. This participative approach reduces tension and conflict in dynamic change management processes. Making change work for employees should be the number one priority of organisations. Australia’s fall in productivity numbers—from 3 percent in the mid-1990s to one percent today— is indicative of the struggle of companies worldwide to keep up with rapid change.

Asian workplaces, also adapting to a cultural shift in the workforce, must be careful not to mistake cultural transformation for cultural imposition, which has a negative effect on performance. One model of a global culture is not expected to emerge nor will a parent company achieve a pure Western or Singaporean culture, for example, in foreign subsidiaries. Instead, change management models must be responsive to both global convergence and localized differences.



‘Change is a process not an event!’

How do we lead the charge for long-term reform, not just a coup d’état? As a first step, organisations need to create an environment for continuous cultural transformation. Harvard University professor Dr. John Kotter has introduced eight steps to developing organisations that adapt continuously to change:

Do not cheat. Seventy percent of all major change efforts fail because organisations fail to take a holistic approach, according to Dr. Kotter.

8 Steps to Developing a Change Friendly Organisation:

Step 1: Create urgency.

Step 2: Form a powerful coalition.

Step 3: Create a vision for change.

Step 4: Communicate the vision.

Step 5: Remove obstacles.

Step 6: Create short-term wins.

Step 7: Build on the change.

Step 8: Anchor the changes in the corporate culture.

Essentially, we want to let employees create their own individual fiefdoms, empowered to influence individual job performance and direction in alignment with overall organisational values and goals.

If we zoom in on what really drives employee engagement, we discover that employee goals and values underpin all of the levers that create high performance workplaces. Here are the levers you want to push:

The 4 Levers of High Performance Cultural Transformation:

Cognitive - Knowledge acquisition and learning processes are activated around the action of achieving goals. Knowledge improves self-efficacy. Employees are more likely to be intrinsically motivated if they believe they can reach their goals.

Resources – We often ask employees to support the organisational vision, values and direction but fail to provide the training and tools they need to succeed. A continuous learning environment should provide the tools to nurture the skills and competencies of each employee.

Motivational – Motivation is highest when goals align with employee values. Employees show a higher level of motivation toward participative goal setting and clearly established goals.

Financial – Pay packages and bonuses help to get new employees in the door. However, they will not be enough to keep them there unless they align with employee values. Long-term employee performance has been shown to be more positively influenced by values than financial incentives.

References

¹ J.Kurtzman. "An Interview with C.K. Prahalad, Co-author of Competing For the Future" Strategy+Business Journal. Third Quarter, July 1996.

