

## ***Leading Change Management***

Organizational change management and transformation have become permanent features of business. But when these change efforts go wrong, the costs are high—not only financially but in confusion, lost opportunity, wasted resources, and diminished morale. When employees who have endured real upheaval and put in significant extra hours for an initiative that was announced with great fanfare see it simply fizzle out, cynicism sets in.

DeAnne Aguirre, senior partner with Strategy& and an expert in culture, leadership, talent effectiveness, and organizational change management and Micah Alpern, senior associate with Strategy& and an expert in culture transformation and organizational change management offer 10 guiding principles for change that can help executives navigate transformation in a systematic way.

- 1. Lead with the culture.** Skilled change managers always make the most of their company's existing culture. Instead of trying to change the culture itself, they draw emotional energy from it. They tap into the way people already think, behave, work, and feel to provide a boost to the change initiative.
- 2. Start at the top.** Although it's important to engage employees at every level early on, all successful change management initiatives start at the top, with a committed and well-aligned group of executives strongly supported by the CEO.
- 3. Involve every layer.** Strategic planners often fail to take into account the extent to which midlevel and frontline people can make or break a change initiative. The path of rolling out change is immeasurably smoother if these people are tapped early for input on issues that will affect their jobs.
- 4. Make the rational and emotional case together.** Leaders will often make the case for major change on the sole basis of strategic business objectives. Such objectives are fine as far as they go, but they rarely reach people emotionally in a way that ensures genuine commitment to the cause. Human beings respond to calls to action that engage their hearts as well as their minds, making them feel as if they're part of something consequential.
- 5. Act your way into new thinking.** Many change initiatives seem to assume that people will begin to shift their behaviors once formal elements like directives and incentives have been established. However, these have only so much impact. More critical to the success of any change initiative is ensuring that people's daily behaviors reflect the imperative of change. Senior leaders must visibly model these behaviors themselves because employees will believe real change is occurring only when they see it happening at the top.
- 6. Engage, engage, engage.** Leaders often make the mistake of imagining that if they convey a strong message of change at the start of an initiative, people will understand what to do. Nothing could be further from the truth. Powerful and sustained change requires constant communication, not only throughout the rollout but after the major elements of the plan are in place.
- 7. Lead outside the lines.** Change has the best chance of cascading through an organization when everyone with authority and influence is involved. In addition to those who hold formal positions of power, this group includes people whose power is more informal and is related to their expertise or to personal qualities that engender trust.
- 8. Leverage formal solutions.** Persuading people to change their behavior won't suffice for transformation unless formal elements—such as structure, reward systems, ways of operating, training, and development—are redesigned to support them.
- 9. Leverage informal solutions.** Even when the formal elements needed for change are present, the established culture can undermine them if people revert to long-held but unconscious ways of behaving. Formal and informal solutions must work in harmony.
- 10. Assess and adapt.** Leaders are typically so eager to claim victory that they don't take the time to find out what's working and what's not, and to adjust their next steps accordingly. This failure to follow through results in inconsistency and deprives the organization of needed information about how to support the process of change throughout its life cycle.

These principles offer a powerful template for leaders committed to effecting sustained transformational change. The work required can be arduous and exacting, but the need for implementing major change initiatives is only going to become more urgent in this highly competitive global environment, so it behooves us all to get it right.