

Are You Ready for Change?

By Shelley Hall

Before beginning any change initiative, an organization must first assess its readiness. Knowing how well the organization will respond to the change gives learning leaders an advance opportunity to understand the unique roadblocks and to plan a strategy to keep moving forward.

The readiness assessment will uncover:

- Gaps between management's perceptions about the culture and employees' perception of the culture.
- Gaps between the stated vision and values of the organization and how business is executed.
- Gaps between the current culture and the desired elements of the new culture.
- Degree of flexibility, adaptability and innovation in the organization.

There are many individual cultural elements that should be examined in a readiness assessment.

Key performance indicators: The road to successful change must begin with a clear understanding of where the organization is going and how you'll know when it's gotten there. Key performance indicators (KPIs) must be established in three areas:

- **Performance:** This includes productivity, efficiency and internal and external customer satisfaction.
- **Culture:** This refers to organizational behavior, values and decisions.
- **Fiscal:** This relates to profitability, cost reduction and market position.

Each organization's ultimate change goal will determine these KPIs and provide the tactical road map the organization will need to take action and evaluate interim progress.

Risk tolerance: Change involves risk. Trust up and down the organization must be present if employees are going to take risks — not wild, poorly conceived risks, but the kind of calculated risks necessary to implement change.

Therefore, an organization's willingness to allow risk taking — and, at times, failure — is one of the most important indicators of its change readiness. How does the organization view risk? How does it manage risk? What levels of risk are acceptable? Is entrepreneurial spirit rewarded?

Decision making: All decisions, big and small, become the drivers of change. And when change initiatives



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fail, it's often due to the fear of making a mistake, which leads to poor and slow decision making.

Therefore, examining how decisions are made is vitally important. Learning executives should ask: Are decisions made quickly after fact

finding and evaluation, or does it take longer for someone to make a decision and take action? Do the various management teams listen to a variety of opinions, or do they go to the “anointed few” for input? Is there a clear decision-making process?

Organizational structure:

Companies with strong and delineated hierarchies are often built on the belief that people need close supervision to get them to produce. Micromanagement is the norm. However, effective change initiatives require independent decision making and behavior. Change that is forced on people is never fully adopted, and resistance becomes a huge challenge. If employees feel they can't make a move without approval, the organization will find change extremely difficult, if not impossible, to achieve.

Flexibility and innovation:

Flexibility and innovation are closely tied to risk. Leaders should ask themselves: How often does the organization attempt new things? Are new products introduced regularly? Are policies and procedures evaluated regularly to ensure customer satisfaction? Is customer input solicited, and is action taken based on the results? Do the employees implement new ideas on a consistent basis? Are employees

allowed or encouraged to make decisions and solve problems within their own departments?

Change history: Past achievements can be indicators of future success. Has the organization implemented some form of change within the past five years? Was it successful? What was learned from that experience? Was a change readiness assessment completed before the change initiative? What failures has the organization experienced in the past five years, and how will the learning organization help mitigate the failure mentality?

Processes and function: Major change often requires redesigning processes, functions and roles. Are the managers in the affected area open to change? Are they supportive of the change? Has turf building and turf protection been an issue in the organization? Do departments willingly collaborate and see themselves as interdependent? Are departments mired in paperwork that will work against change?

Communication: Communication before, during and after change is a critical factor in the success of a change initiative. Learning leaders must honestly assess both formal and informal communication structures within the organization. Is communication a two-way street

with honest dialog? Is gossip rampant and destructive? Are there trusted communicators in the organization who should be maximized for the dissemination of information? Is communication direct or only through managers? How frequently does senior management communicate with and listen to the rank and file?

Competitive awareness: Change in a vacuum is difficult. Do key people in the organization stay informed about the industry? Do they track trends and see the impact on business? Are they knowledgeable about the competition and their position in the market? The more employees know about the industry, the more they will understand the need for change and the benefits change will deliver.

Rewards: An organization's reward structure drives behavior. Are employees rewarded for new ideas, for taking risks and for making independent decisions? Or are they figuratively “slapped” for taking action without multiple approvals? The behavior you reward is the behavior you'll see — so make sure you reward the underlying actions that will support your change initiative.