HR COACH
AUSTRALASIA
people • perform • profit

Kicking The Status Quo

LOCKING IN CHANGE



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Maintaining the Status Quo is A Risky Business!

Locking in change is the key to a business's longevity. But it is the hardest thing to do.
Why? Because businesses don't make decisions, people do, and people HATE change.

People often resist change due to a combination of psychological, social, and practical factors.

Psychologically, employees may fear the unknown and the potential loss of their comfort zone. Change can create anxiety about job security, new responsibilities, or the ability to adapt to new systems and processes.

Socially, change can disrupt established workplace relationships and hierarchies. Employees might worry about how changes will affect their roles, team dynamics, or their standing within the organization. This can lead to resistance as people cling to familiar social structures and norms.

Practically, change often requires learning new skills or adjusting to different workflows, which can be time-consuming and demanding. Employees might fear that they will not be able to meet new expectations or that the change will increase their workload without providing immediate or clear benefits. The effort and uncertainty involved in adjusting to new methods or technologies can seem overwhelming, especially if the benefits are not well communicated.

In business, resistance to change is a natural response driven by the desire for stability and predictability. Understanding these factors is crucial for leaders to design effective change management strategies, including clear communication, training, and support systems to help employees navigate transitions successfully.

Our recent study of 910 Australasian businesses found that 1 in 5 businesses constantly struggled with implementing change, while 1 in 4 businesses constantly struggle with employees willingness to adapt to change.

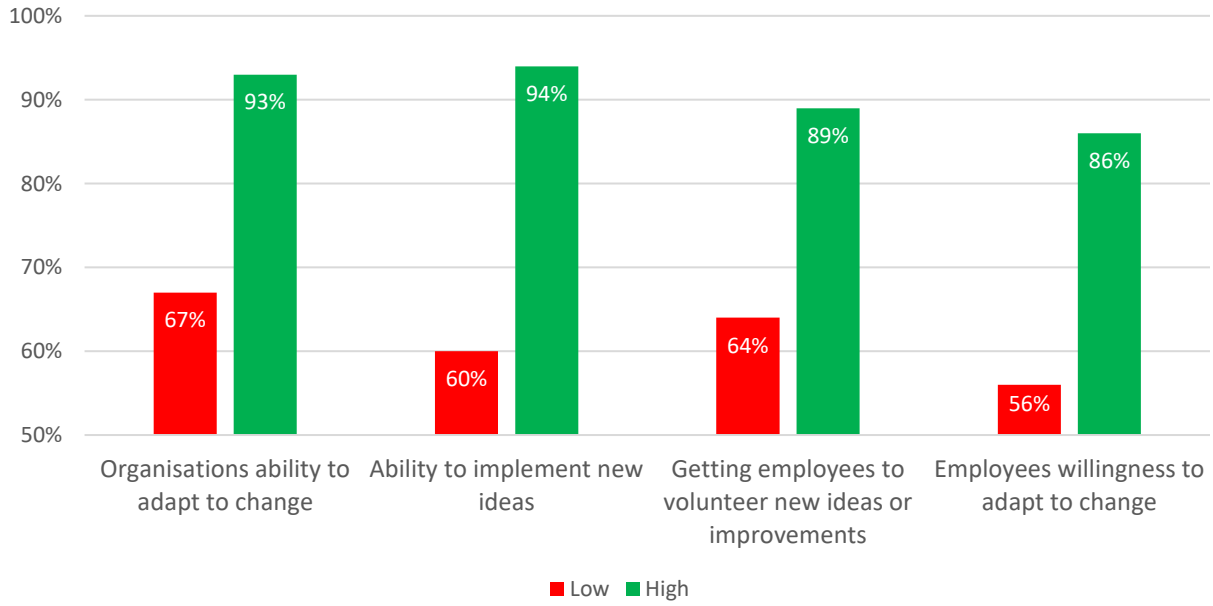
While change itself is a business imperative to stay in the market, creating change is fundamentally a people issue.

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High Performing vs Low Performing Businesses

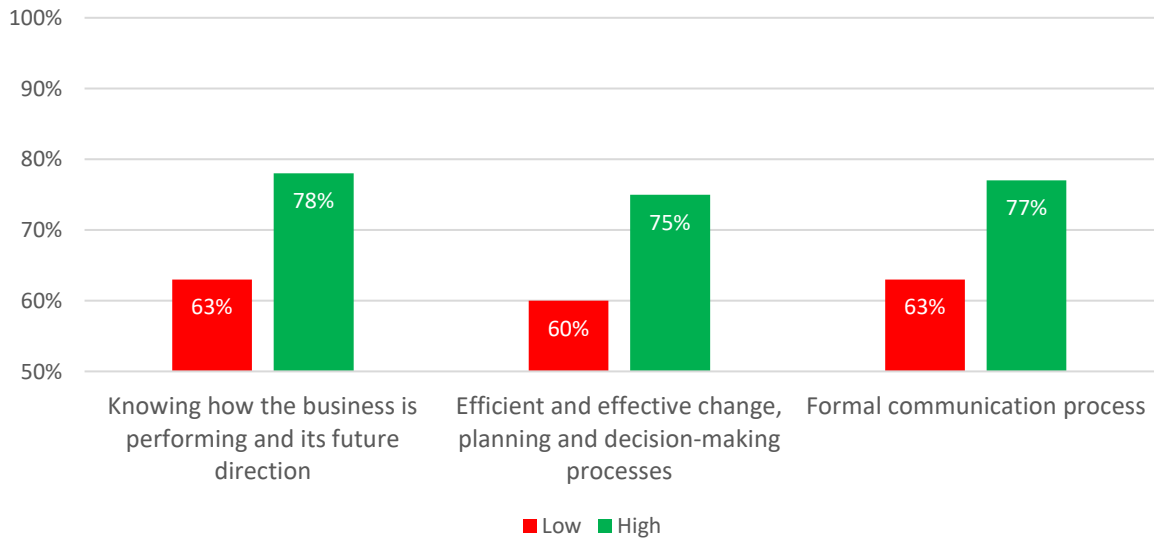
High performing businesses manage change, and all of its components remarkably better than their low performing counterparts.

On average, high performing organisations recognise, implement and adapt change 29% more effectively than low performing businesses.



Why do high performing businesses create and adapt to change more effectively?

The focus on change is a continual process, not just an end result. Their formal and informal communication processes are valued by all employees and they actively communicate how the business is currently performing and the future direction.



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Trust as the Foundation of Change

Trust is crucial in change management processes for several reasons:

Reduces Resistance: When employees trust their leaders and the business, they are more likely to embrace change. Trust reduces fear and uncertainty, making employees more open to new initiatives and less resistant to change.

Enhances Communication: Trust fosters open and honest communication. Employees are more willing to share their concerns, feedback, and ideas when they trust that their input will be valued and respected. This open dialogue is essential for identifying potential issues and making necessary adjustments during the change process.

Builds Commitment: Trust leads to increased employee commitment and engagement. When employees trust that the change is in the best interest of the business and their own roles, they are more likely to invest their time and effort into making the change successful.

Encourages Collaboration: Trust promotes a collaborative work environment where employees feel comfortable working together towards common goals. In a trustful setting, teams are more likely to support each other, share knowledge, and cooperate effectively, which is vital during times of change.

Improves Morale: Trust helps maintain positive morale during transitions. Change can be stressful, but when employees trust their leaders and the process, they are more likely to stay motivated and maintain a positive attitude, which contributes to a smoother implementation.

Facilitates Adaptation: Trust in leadership and the change process encourages employees to adapt more quickly to new ways of working. They are more likely to believe in the vision and purpose behind the change, making them more flexible and willing to learn new skills or adopt new behaviours.

Strengthens Leadership: Leaders who build and maintain trust are more effective in guiding their teams through change. Trusted leaders can inspire confidence, provide clear direction, and offer the necessary support to navigate challenges, increasing the likelihood of a successful change implementation.

By fostering trust, organisations can create a supportive environment to increase their successful change initiatives.

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Building your ‘Change’ Process

Understanding the stages of change – and the pitfalls unique to each stage – you boost your chances of a successful transformation.

1. Establish a sense of urgency

Most successful change efforts begin when some individuals or some groups start to look hard at a company competitive situation, market position, technological trends and financial performance.. They then find ways to communicate this information broadly and dramatically, especially with respect to crisis, potential crisis, or great opportunities that are very timely.

This first step is essential because just getting a transformation program started requires the cooperation of many individuals. Without motivation, people won’t help and the effort goes nowhere.

Compared with other steps in the change process, phase one can sound easy. It is not. Over 50% of businesses fail in this first phase. Sometimes managers underestimate how hard it can be to take people out of their comfort zones. Sometimes they grossly overestimate how successful they have already been in increasing urgency. Sometimes they lack patience.

In many cases, leaders become paralyzed by the downside possibilities. They worry that employees with seniority will become defensive, that morale will drop, that events will spin out of control, that short-term business results will be jeopardized and that they will be blamed for creating a crisis.

Key Actions:

Examine market and competitive realities for potential crisis and untapped opportunities

Convince at least 75% of your managers that maintaining the status quo is more dangerous than the unknown.

Risks:

Underestimating the difficulty of driving people from their comfort zones

Becoming paralyzed by risks



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2. Forming a powerful stakeholder group

Major change programs often begin with just one or two people. In cases of successful transformation efforts, the stakeholder group grows and grows over time. But whenever some minimal mass is not achieved early enough in the effort, nothing much worthwhile happens.

This group doesn't need to encompass the entire senior management team, but it does need to be pretty powerful, in terms of titles, information and expertise, reputations and relationships.

Key Actions:
Assemble a group with a shared commitment and enough power to lead the change effort

Encourage them to work as a team outside the normal hierarchy

Risks:
No prior experience in teamwork at the top

Relegating team leadership to an HR, quality, or strategic-planning manager rather than a senior line manager.

3. Creating a Vision

Key Actions:
Create a vision to direct the change effort

Develop strategies for realizing that vision

Risks:
Presenting a vision that's too complicated or vague to be communicated in five minutes.

Change should be driven by the ideal outcome, not out of fear. A vision is where the business wants to move and should be designed by the stakeholder group.

Without a sensible vision, a transformation effort can easily dissolve into a list of confusing and incompatible projects that can take the organisation in the wrong direction, or no where at all.



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4. Communicating the Vision

Change is impossible without having people to help, sometimes even making short-term sacrifices. Employees will not make sacrifices, even if they are unhappy with the status quo, unless they believe that useful change is possible. This requires more than just a company email. Interpersonal communication is key to capturing the hearts and minds of the team. Businesses who actively communicate the current situation and the future direction of the business, and incorporate that in their everyday messaging are linked to high revenue figures, reduced absenteeism, theft and shrinkage.

Key Actions:

Use every vehicle possible to communicate the new vision and strategies to achieve it.

Teach new behaviors by the example of the guiding stakeholders.

Risks:

Under communicating the vision

Behaving in ways at odds to the vision.

5. Empowering others to act on the Vision

Key Actions:

Remove or alter systems or structures undermining the vision

Encourage risk taking and nontraditional ideas, activities and actions

Risks:

Failing to remove powerful individuals who resist the change effort..

Successful change projects begin to involve a large proportion of the employees as the process progresses. Ensuring that those employees are emboldened to try new approaches, develop new idea and to provide leadership while it aligns with the vision.



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6. Planning for and creating short-term wins

Change takes time and it can often fail if there is no momentum from short-term wins. Most people won't lean into the change if they can't see at least some positive metric within the first 3 month period.

Businesses need to recognize metrics that measure early successes, and reward employees for achieving these metrics.

Key Actions:

Define and engineer visible performance improvements

Recognize and reward employees contributing to those improvements

Risks:

Leaving short-term successes up to chance.

Failing to score successes early enough

7. Consolidating improvements and producing still more change

While celebrating a win is fine, and encouraged, declaring the war won after just one victory can be catastrophic. Until changes sinks into the company culture, you could be throwing away all the momentum you have built by declaring the change a success way too early.

Instead of declaring victory early, high performing businesses use the short-term wins to gain credibility to tackle even bigger problems. They go after systems and structures that are not consistent with the vision and have not been addressed before.

Key Actions:

Use increased credibility from early wins to change systems, structures, and policies undermining the vision
Hire, promote, and develop employees who can implement the vision
Reinvigorate the change process with new projects and change agitators

Risks:

Declaring victory too soon – with the first performance improvement
Allowing resistors to convince the team that the war has been won, so they can stop now

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8. Institutionalising new approaches

Change sticks when it becomes 'the thing we do around here', when it seeps into the bloodstream of the business. Until new behaviours are rooted in social norms and shared values, they are subject to degradation as soon as the pressure for change is removed.

Two factors are important to imbedding the change in the culture of the business:

1. Consciously attempt to show people how the change has helped improve performance

2. Making sure that the future leaders of the business personify the new approach.

Key Actions:

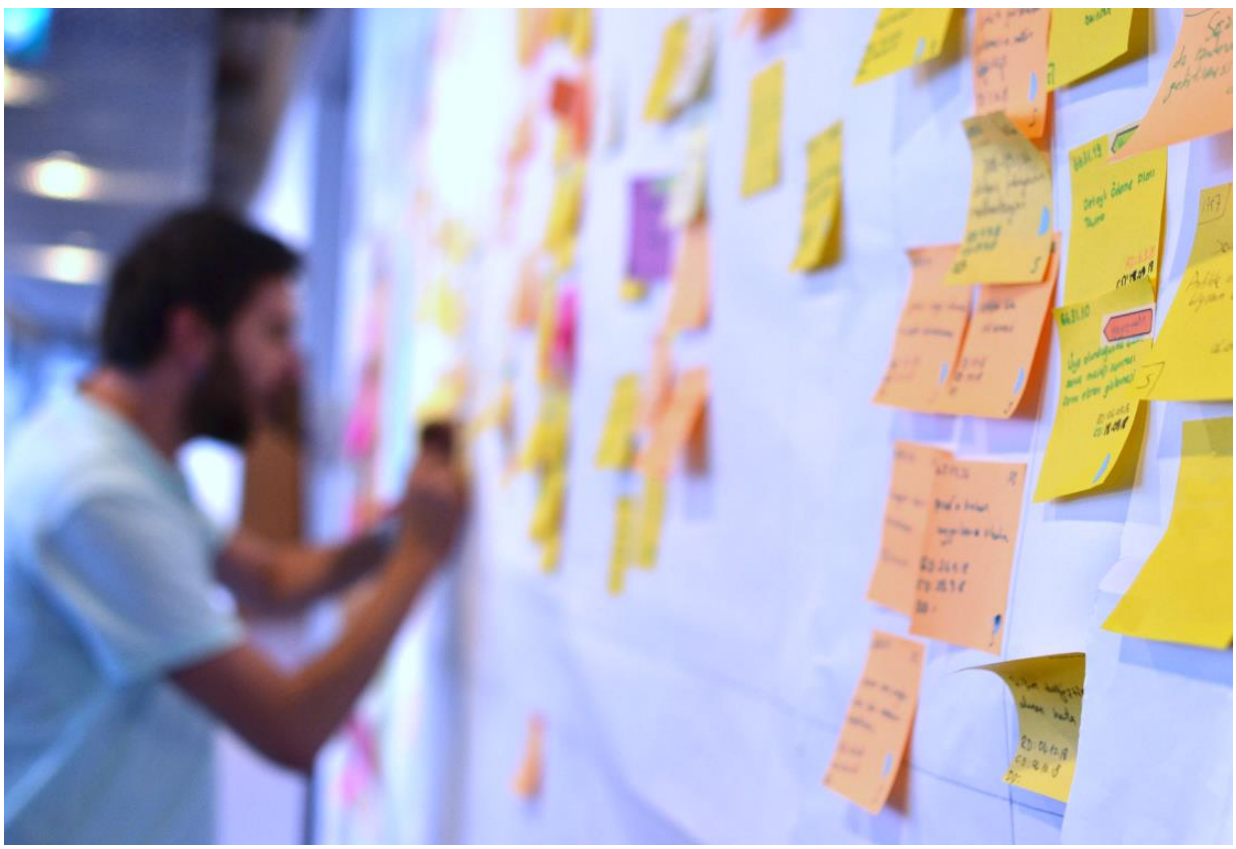
Articulate connections between new behaviours and business success

Create leadership development and succession plans consistent with the new approach

Risks:

Not creating new social norms and shared values consistent with the changes

Promoting people into leadership positions who don't personify the new approach.



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Assess How Your Business is Positioned

Having a business that is open and receptive to change, and people can make it work might be what separates your business from your competitors.

Use a scale of 1-4 to rate your business on each question, where:
1 = Poor
2 = Fair
3 = Goof
4 = Excellent

Use the benchmarking table below to see how you perform against the 910 businesses that have completed the entire STAR Workplace Program.

	1	2	3	4
The level of trust in the business	☐	☐	☐	☐
Business' ability to adapt to change	☐	☐	☐	☐
Business' ability to implement new ideas	☐	☐	☐	☐
Employees willingness to volunteer new idea	☐	☐	☐	☐
Employees willingness to adapt to change	☐	☐	☐	☐
TOTAL				



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HR Coach Australasia consists of an Independent Member Network delivering human resource and strategic alignment solutions to businesses.

HR Coaches work with businesses to establish and maintain the link between People and Business Strategy to improve performance and profitability. HR Coach has researched the Australasian small to medium business sector for the last 20 years and Coaches use this research, patented tools and methodologies to deliver solutions for businesses that are practical, timely and effective, every time.

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