The Biggest Mistakes in Handling Change

1. **Not understanding the importance of people.**

   An estimated 60-75% of all restructuring fails, not because of the strategy, but because of the human dimension.

   Lesson Learned: Organizations don't change. People do, or they don't. If staff doesn't trust leadership, doesn't share the organization's vision, doesn't buy into the reason for change, and aren't included in the planning, there will be no successful change, regardless of how brilliant the strategy.

2. **Not appreciating that people throughout the organization have different reactions to change.**

   Lesson Learned: Some people are naturally more change adept. Change-adept people are happier in their work because they have come to terms with a world that never stays the same. They move with today's chaotic workplace instead of fighting it. They are energized by and thrive on change.

   Change-adept people are not necessarily more competent than their co-workers, but they have distinct advantages in the attitudes they hold and the strategies they adopt.

   Five factors determine which individuals deal successfully with change:

   - Confidence
   - Challenge
   - Counterbalance
   - Coping
   - Creativity

3. **Treating transformation as an event, rather than a mental, physical, and emotional process.**

   Lesson Learned: Large scale organizational change usually triggers emotional reactions: denial, negativity, choice, tentative acceptance, commitment. Leadership can either make this emotional process easier, or ignore it at the peril of the transformation effort.

4. **Being less than candid.**

Under the rationale of protecting people, change is often presented with too positive a "spin." The more the truth is "sugar-coated," the wider the trust gap between management and the workforce.

Lesson Learned: Communicate openly and honestly. Today's employees demand it. Open and honest communication goes beyond telling the truth when it is to your advantage. Management must take a proactive, even aggressive, approach to sharing the opportunities, risks, mistakes, potentials, and failures, and then invite people to work on these challenges together.

5. **Not appropriately setting the stage for change.**

All too often change is announced in an environmental vacuum with little reason or rationale for what the organization is trying to accomplish and how this change fits into the organization's vision.

Lesson Learned: To prepare employees for success, give them pertinent information about demographic, global, economic, technological, competitive, and industry trends. People need to know the vision, goals, and strategy of the organization. They need to understand the financial reality of the organization and how their actions impact that reality.

6. **Trying to manage transformation with the same strategies used for incremental change.**

Lesson Learned: Incremental change (continuous improvement) is linear, predictable, logical, and based on a progressive acceleration of past performance.

Transformation is a redefinition of who we are and what we do, and is often unpredictable and illogical. Past success is not necessarily a valid indicator of future success. In fact, past success may be an organization's greatest obstacle.

7. **Forgetting to negotiate the new agreement between employers and employees.**

People always know what they are losing, but they don't often have a clear picture of what to expect in its place.

Lesson Learned: A new kind of relationship grounded in mutual trust and respect is emerging between employers and employees. This new agreement is developed out of realistic expectations on both sides, and attempts to align the interests of the organization with those of its employees to share the risks and rewards of doing business. The developing relationship between the organization and its employees is changing from paternalism to partnership.

Employees expect to be treated and compensated fairly, to develop professionally, and to have meaningful, challenging work. In return, employees owe the organization their willingness to participate in personal growth, idea development, customer service, and organizational transformation. Balancing the employer-employee agreement is a matter of finding items that are of value to both employer and employee.

8. Believing that change communication is what employees hear or read from headquarters.

From an employee's perspective, the kind of communication that impacts behavior is 10% "traditional" vehicles (speeches, newsletters, videos, and e-mail), 45% organizational structure, and 45% management behavior.

Lesson Learned: A communication strategy that is not congruent with organizational systems and the actions of leadership is useless. Leaders are beginning to learn the importance of behavior-based communication as a requirement for leading change.

Organizations send two concurrent sets of messages about change:

- Messages that go through formal channels of communication--speeches, newsletters, videos, values statements, etc.
- Messages that are delivered informally through a combination of "off the record" remarks and daily activities.

For today's skeptical employees, talk without action quickly disintegrates into empty slogans and organizational propaganda. Or, in other words, What you do in the hallway is more powerful than anything you say in the meeting room.

9. Underestimating human potential.

Lesson Learned: Trust in the innate intelligence, capability, and creativity of employees and people will astound you. No organization today can afford to waste human capital. Every talent, every idea, and every skill is urgently needed if organizations are to survive. The potential of the workforce is the organization's greatest asset.