

# Making change happen

The role of HR in managing growth

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## Structure of presentation

- Introduction
- Why change fails (some “viruses”)
- Effective change management
- Changing culture
- How HR can champion change

# Why the high failure rate?

## The Major Reason for Failure is People\*

*If Your People Don't Change,  
Your Organization Won't Change*



\* Source: Independent Studies by Harvard, London Business School

# People are key to success



***Why isn't it working?***

# Why change fails: some common “viruses”

## **Forward to our past: look in the rearview mirror**

We are so afraid of losing our heritage that we don't change our culture; we are locked into our habits

## **Activity mania**

We like to be busy; our badge of honor is full calendars, even if it excludes thinking and results. We hide behind our “busy-ness”

## **All things to all people**

We have too many priorities; each good idea gets energy and attention; we don't say no; we are not focused on the critical few

## **Flavor of the month**

We jump from program to program; we don't have integrated initiatives; and there is cynicism about “new” programs

## **Going for the big win**

We look for the mega change that will solve all problems vs. starting small

## **Turfism: my business vs. “our” business**

We defend our turf sometimes to the detriment of the overall organization

## **Leading in dog years**

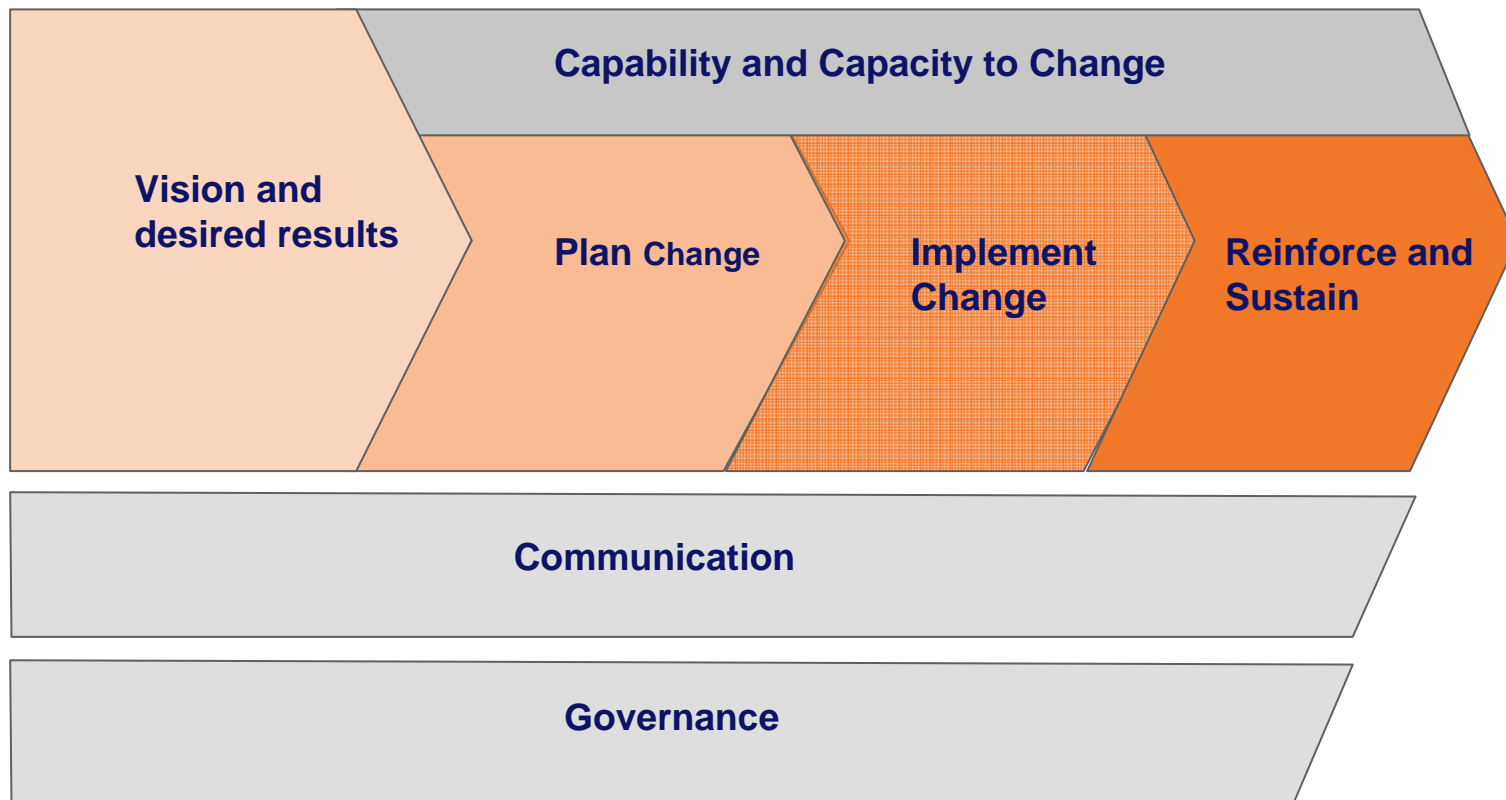
“Isn't it done yet?” Leaders want transformation to occur overnight regardless of the nature and scope of the business challenge

Adapted from Dave Ulrich (2008)

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# Effective change management



## Vision and desired results

- Provide clarity of the business justification for change
- Create a consensus on the change agenda
- Establish sponsorship
- Set direction and momentum
- Set critical success factors and KPIs



# Change capability and capacity

- **Identify stakeholders and sponsors**
  - Sponsor: someone who authorizes, legitimizes, and demonstrates ownership for a specific change initiative. To be an effective sponsor, an individual must possess sufficient organizational influence to either initiate resource commitment (time, people, and money) or reinforce change.
  - Change agent: a person who is motivated to bring about change.
  - Change advocate: a person who is sympathetic to the change and can indirectly influence others. A change advocate can influence, but cannot directly bring about change.
  - Other stakeholders
- **Assess the readiness of the organization to change**
- **Build a change infrastructure**
- **Identify and implement any required training/coaching**
- **Identify pace of change implementation**

# Governance

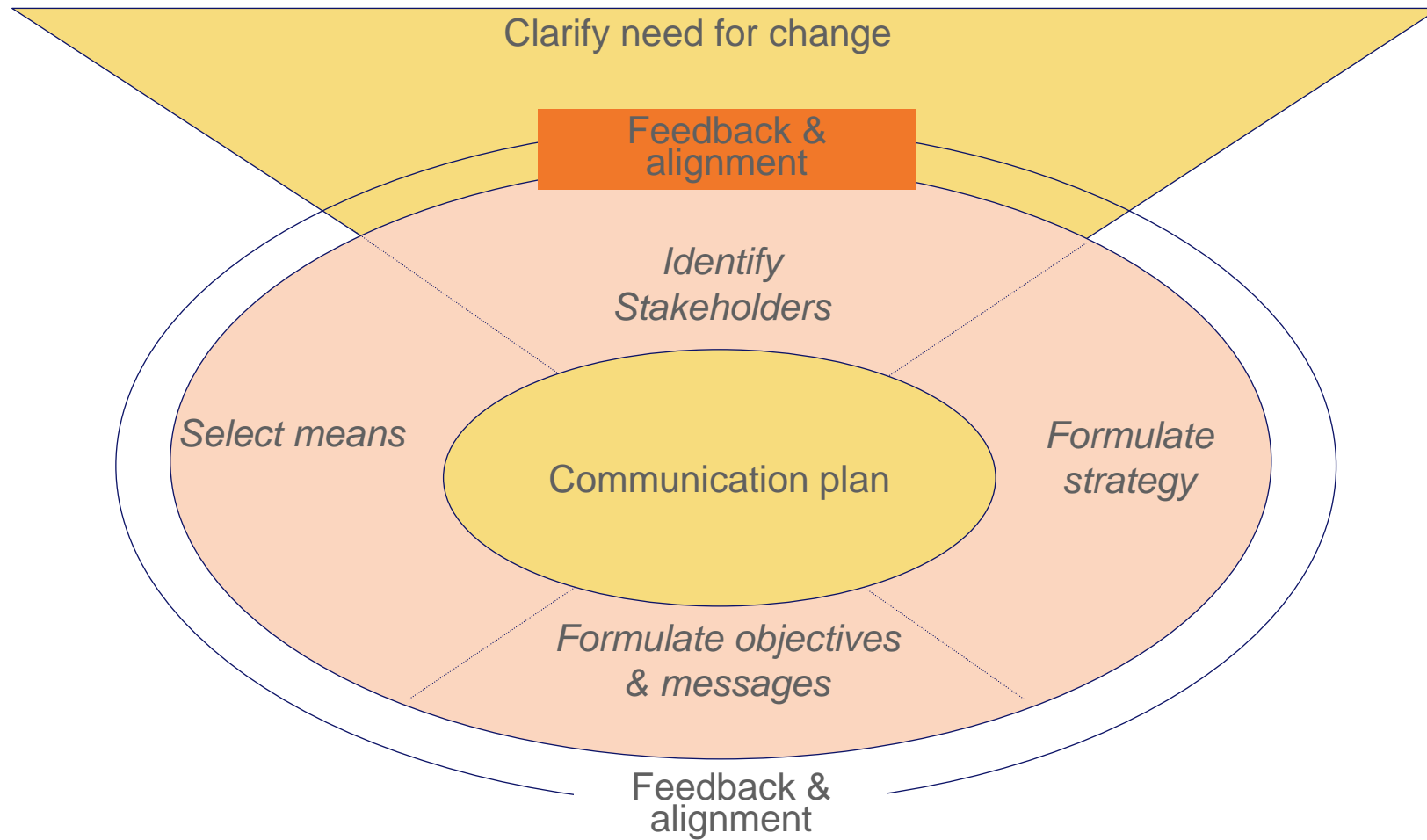
## **The objectives of this step are to have a body that:**

- Provides leadership and executive sponsorship for proposed change
- Monitors progress against key goals / KPIs
- Has the authority to make and implement binding decisions

# Communication

- Develop the change communications strategy
- Develop detailed program level communication plans
- Implement the program level plan
- Ensure that communication is two ways
- Test that communication is effective

# Communication process



# Change planning

- Ensure change management is incorporated into detailed plans
- Agree the timetable
- Agree KPIs
- Identify quick wins
- Incorporate resistance and risk mitigation plans

## Implement, reinforce and sustain change

- Implement change management
- Review results
- Ensure that change sticks and that it's sustainable

# John Kotter's eight steps to successful change

**Establishing a sense of urgency**

**Forming a powerful guiding coalition**

**Creating a vision**

**Communicating the vision**

**Empowering others to act on the vision**

**Planning for and creating short term wins**

**Consolidating improvements and producing still more change**

**Institutionalizing new approaches**

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## Defining culture

**Culture describes the behavioral norms that have been established through the messages received about “how we do things” in the organization:**

- Culture is a tacit collective vehicle through which individuals coordinate their activities to achieve common goals and expectations; and
- Culture helps individuals understand how their roles and behaviors fit within the larger picture (in particular within the organization’s overall business strategy).

# Align culture to strategy

## CULTURAL ALIGNMENT PLAN

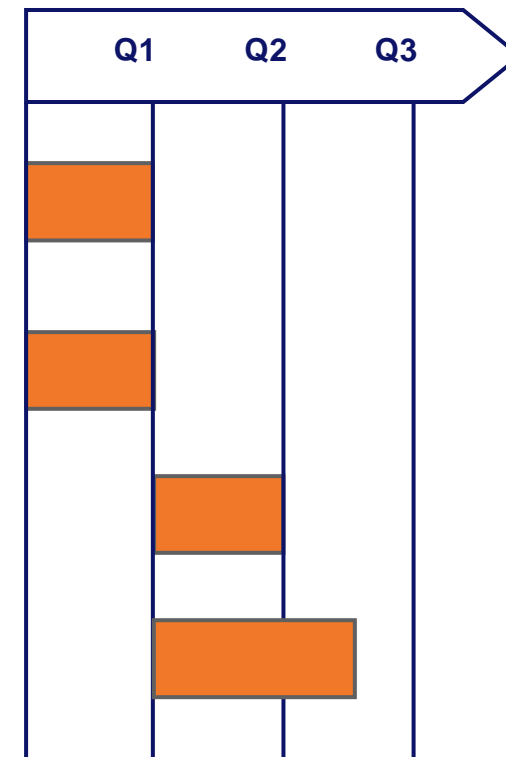
### Activities

Understand the nature, strengths and weaknesses of the current culture (as is)

Get clarity about the elements of the required culture that will help turn the strategy into reality (to be)

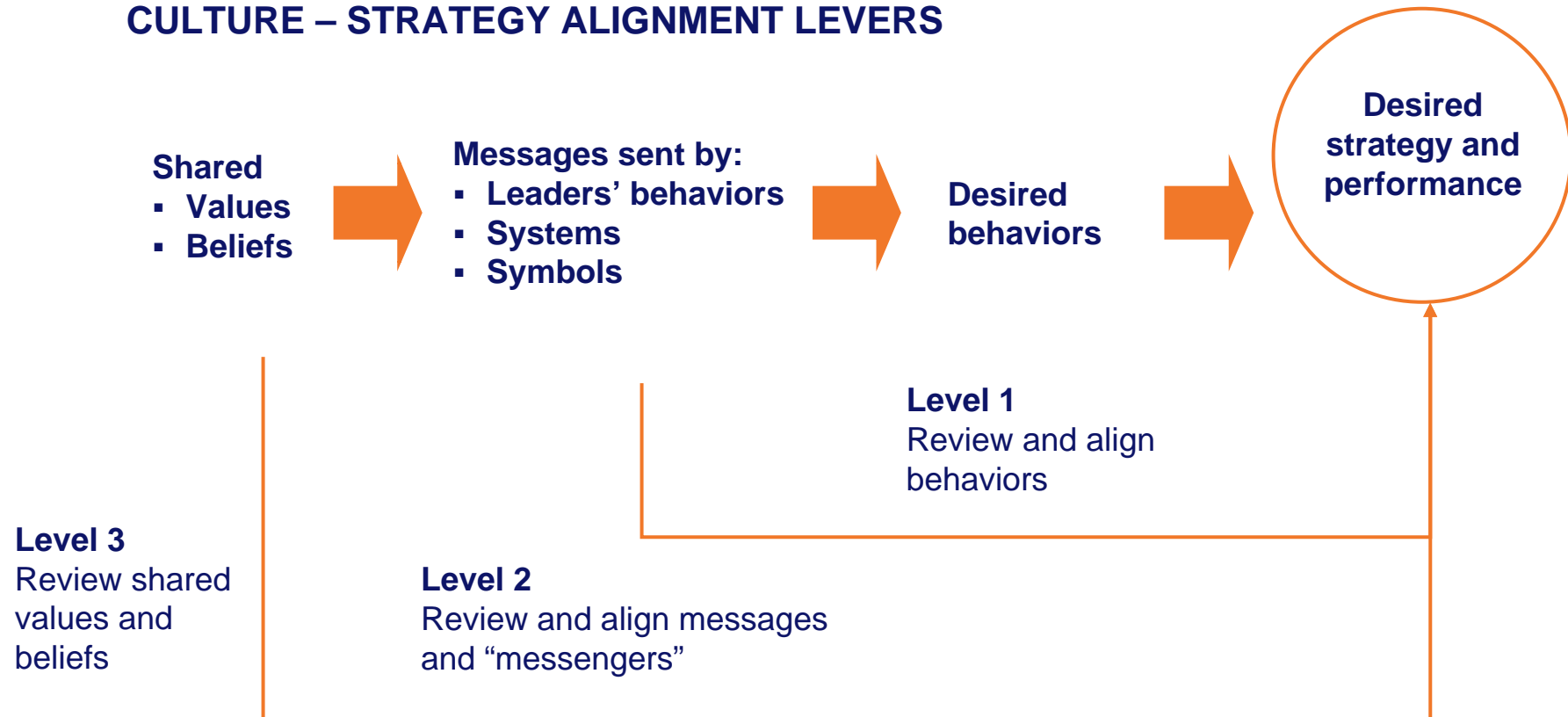
Agree with the concrete actions that are necessary to implement the desired culture

Develop culture alignment implementation plan



# Align culture to strategy

## CULTURE – STRATEGY ALIGNMENT LEVERS



## The change formula

$$D \times V \times P > C$$

**D=** *Dissatisfaction or desire*

**V=** *Desirable Vision of the future*

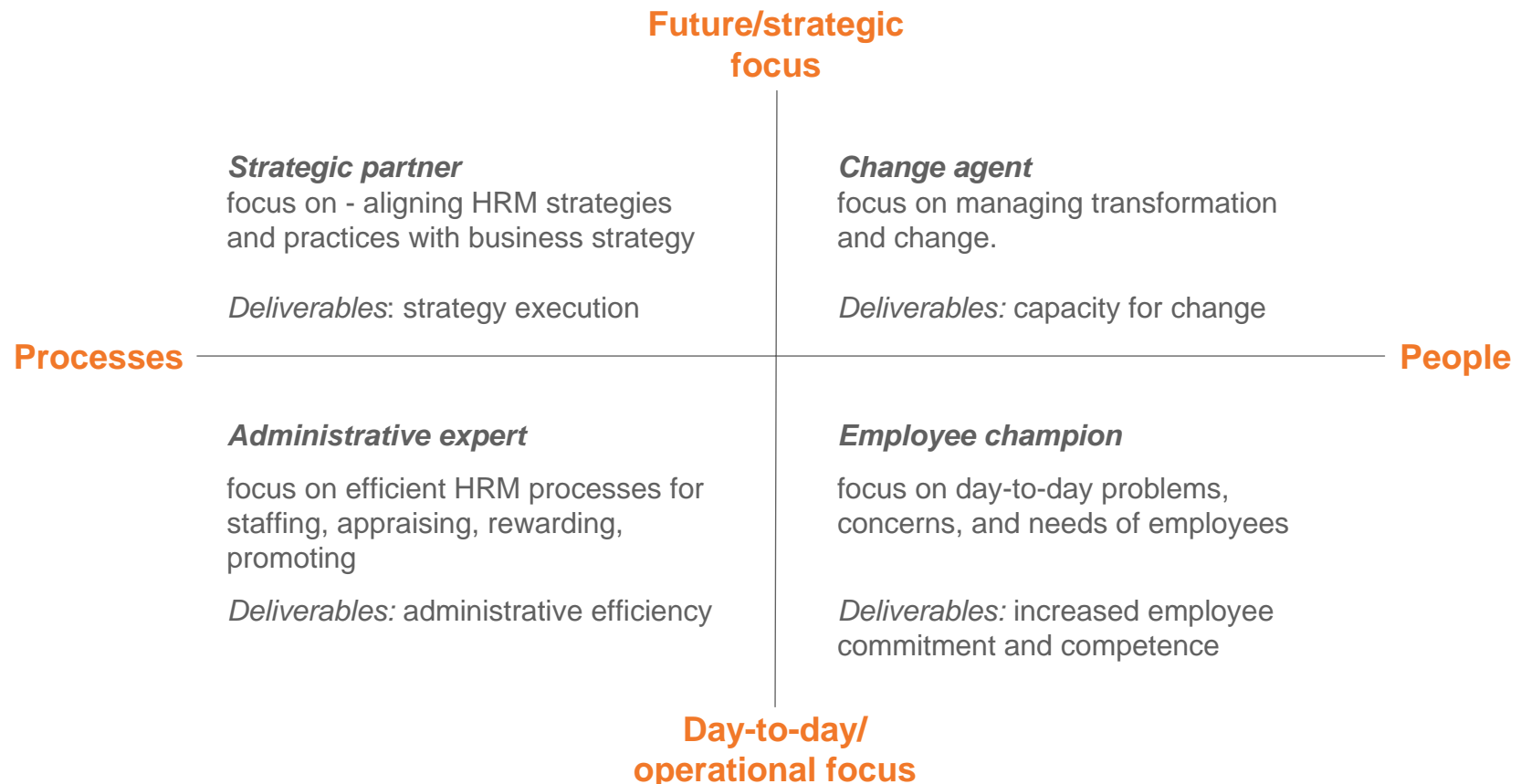
**P=** *Practical first step to Change*

**C=** *Cost (material, psychological) of Change*

## Structure of presentation

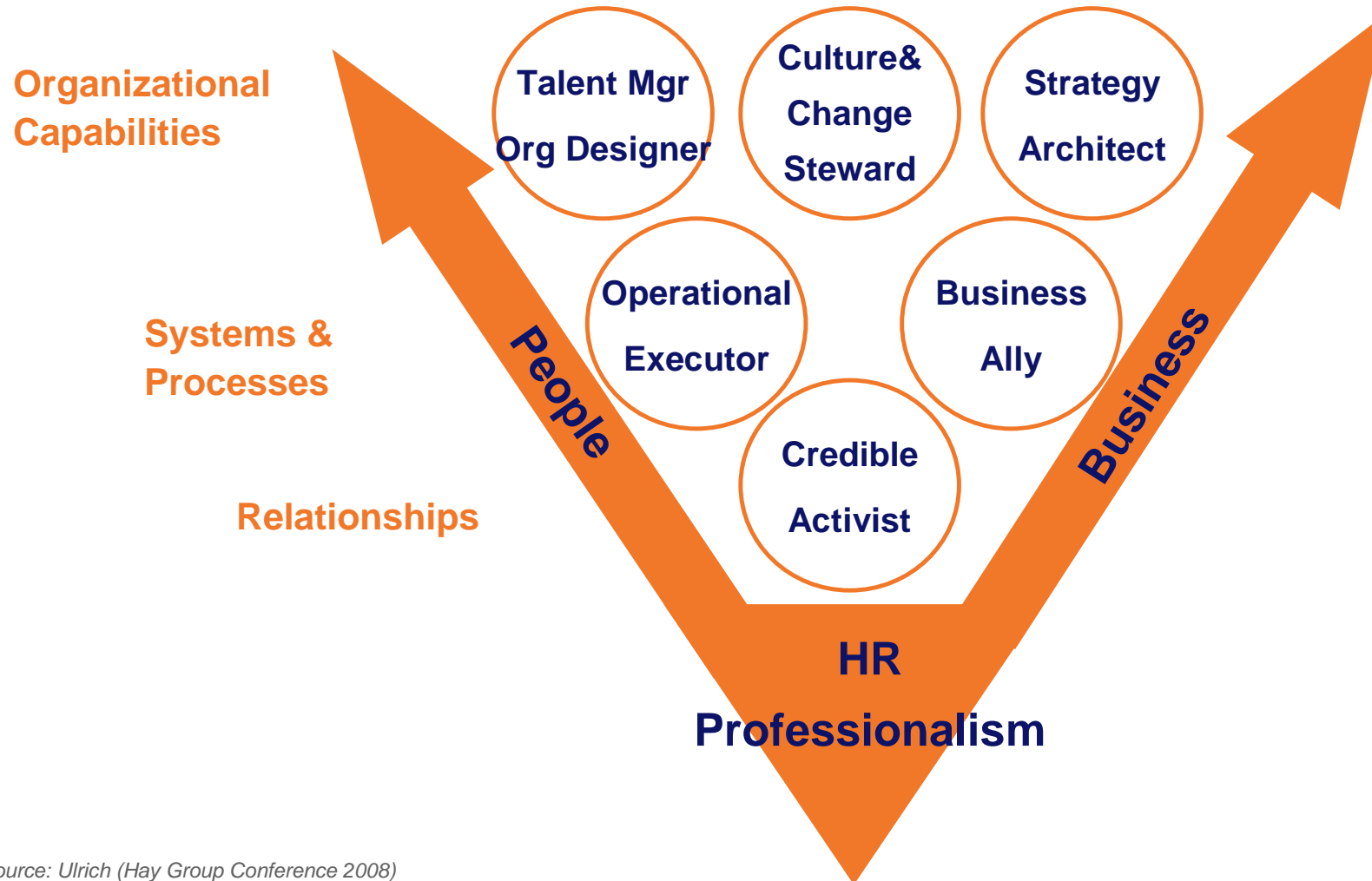
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# Roles by which HR managers can add value



Source: Ulrich

# How HR professionals champion change HR competencies



Source: Ulrich (Hay Group Conference 2008)

# How HR professionals champion change HR competencies

## Credible Activist

- Delivering results with integrity
- Sharing information
- Building relationships of trust
- Doing HR with an attitude

## Culture and Change Steward

- Facilitating change
- Valuing culture
- Crafting culture
- Personalizing culture

## Strategy Architect

- Sustaining strategic agility
- Engaging customers

## Talent Manager / Org Designer

- Ensuring today's and tomorrow's talent
- Developing talent
- Sharing organization and communication
- Designing rewards systems

## Operational Executor

- Implementing workplace policies
- Advancing HR technology

## Business Ally

- Interpreting social context
- Serving the value chain
- Articulating the value proposition
- Leveraging business technology

Source: Ulrich (Hay Group Conference 2008)



Companies that have successfully implemented organizational change increase their competitive advantage by *embedding capacity and capability* to renew and change

- Creating shared understanding and language for change
- Establishing common processes, tools and techniques
- Making change an integrated part of everyday working life
- Remembering that success means achieving the desired results

What is a successful change like in an ideal world?



What is a change really like in majority of cases?



What can we expect in the best scenario?



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# Appendix

# Why change fails

## Common *viruses* preventing successful change

### 1. Over inform: Tell everyone then have a meeting.

We make sure everyone has been informed, then have a meeting which slows things down

### 2. Have it my way

We don't learn from each other; not invented here syndrome

### 3. Saturday morning quarterback

We criticize everything, even before they happen

### 4. False positive

We do "nice-talk".... overly kind even if we disagree. This leads to false positive.

### 5. Concealed consensus

We confuse participation with consensus. We think that everyone has to agree before we act, so people say they agree when they don't

### 6. Forward to our past: look in the rearview mirror

We are so afraid of losing our heritage that we don't change our culture; we are locked into our habits

### 7. Caste: value by grade

We judge people by their title and rank rather than performance or competence

### 8. Turfism: my business vs. "our" business

We defend our turf sometimes to the detriment of the overall organization

# Why change fails

## Common *viruses* preventing successful change

### 9. Command and control

We like to make sure that senior managers run the company and delegate up responsibility; this keeps us from feeling a personal obligation to change

### 10. Activity mania

We like to be busy; our badge of honor is full calendars, even if it excludes thinking and results. We hide behind our “busy-ness”

### 11. Narcissistic competitiveness

We need to win as individuals not teams

### 12. Show me the results: Results rule

We like results – anyway, anytime, anyhow – we don’t instill a process

### 13. Crisis jumping

When in a crisis, we act decisively, then we wait for the next crisis to act again

### 14. Customer antipathy

We don’t include customer criteria in our thinking; we are internally focused

### 15. Authority ambiguity: not clear on accountability

In our matrix, we are not sure who is responsible or accountable, so no one is

### 16. All things to all people

We have too many priorities; each good idea gets energy and attention; we don’t say no; we are not confused on the critical few



# Why change fails

## Common *viruses* preventing successful change

### 17. Flavor of the month

We jump from program to program; we don't have integrated initiatives; and there is cynicism about "new" programs; we end up with concept clutter

### 18. Over-changed (full sponge)

We have a capacity problem with too many changes going at once; we are burned out and stressed out and stressed out on change; we can not let things go

### 19. Mis-alignment: disjointed actions

We don't see the big picture and see how our work fits with strategy; we tend to get lost in the details

### 20. Compliant deflector: Over-obedient

We wait to do what we are told and delegate responsibility upward

### 21. Process mania

We are so consumed by process that we don't focus on results and outcomes

### 22. Kill the messenger

We don't share bad news even to a fault

### 23. Glacial response: Whose decision is it?

We can not get decisions made quickly

### 24. Perfectionism: right way or no way

We have to have the perfect answer before we do anything

# Why change fails

## Common *viruses* preventing successful change

### 25. What have you done for me yesterday?

After a successful change, we only want more

### 26. Over-measure

We measure everything, even to a fault. Our dashboards are way too complex

### 27. Under-measure

We don't have indicators that track the important stuff; we measure what is easy not what is right

### 28. Sustainability

We do not sustain changes we start

### 29. Going for the big win

We look for the mega change that will solve all problems vs. starting small

### 30. Skills to aptitude

We don't have the skills required for the future

### 31. Event vs. pattern

Change is an event (do the checklist, attend the meeting) not a sustained pattern

### 32. Fire hydrant

Everyone has to "mark" every initiative or project before it can be moved on