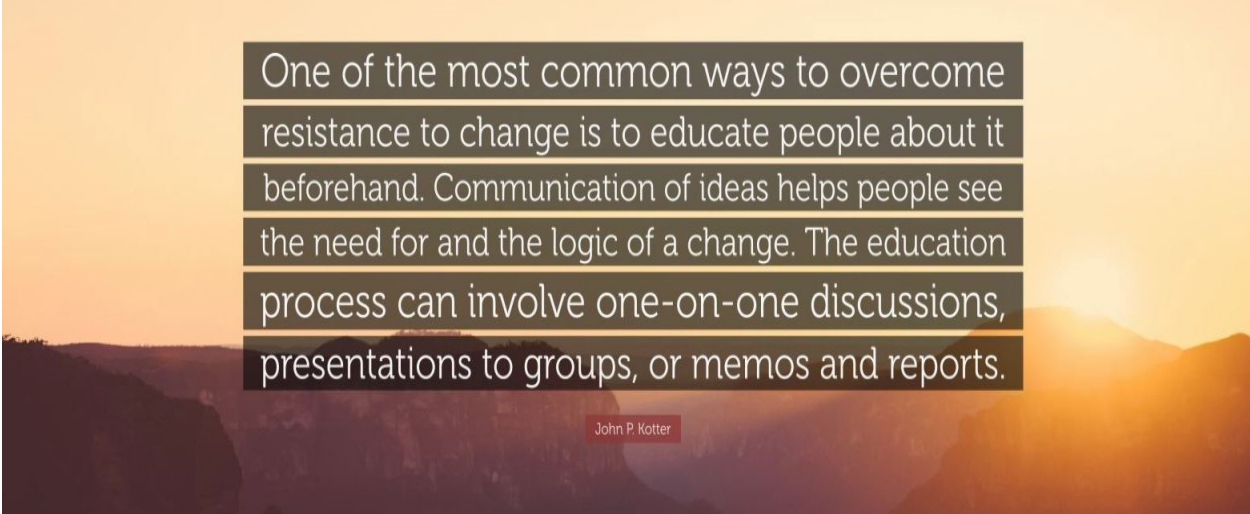


How do you get everyone onboard with your change journey?



One of the most common ways to overcome resistance to change is to educate people about it beforehand. Communication of ideas helps people see the need for and the logic of a change. The education process can involve one-on-one discussions, presentations to groups, or memos and reports.

John P. Kotter

Challenged with bringing people along on your change journey? *You are not alone.* **75%**

of change initiatives **fail** because many companies struggle to build and sustain change momentum. Is change failure caused by your organization's uniqueness? Statistics will inform you the answer is no. Companies of all sizes, industry, and culture, as well as initiatives of various charters and complexity all experienced failure or struggled with change, if not deliberately managed. Here are examples of the types of organizations and changes they wanted to make:

- **Non-profit** organization needed to instill project management standards to **better deliver projects on time, on budget**, with quality while meeting business expectations;
- **Global** organization with major offices dispersed around the world needed to introduce massive new changes to processes, governance and implement next-generation technologies in response to **regulatory changes**;
- A **major domestic** financial services company needed to change the way they did things to **compete** dramatically better in a market with aggressive, innovative disruptive competitors;
- A global bank implementing **new ERP and business reengineered processes**;
- A **SMB** manufacturing company that needed to substantially;
- An enterprise **cloud adoption** change initiative;
- A **cybersecurity program implementation**;
- A departmental change to **adopt best practices** (Scrum, Agile, UX, DevOps); and
- A business unit change to increase **operational excellence**

The common theme across these organizations were that each faced challenges getting people onboard with their change journey. **Change failure does not discriminate.** Whether it is a business unit, divisional, departmental, enterprise, global or domestic, ERP, compliance, big data analytics or digital transformation – empirical evidence has shown that every single change initiative faces the same common pitfalls if not managed. Google “Why do change initiatives fail...” and it will return no less than 4 million search results with various explanations and theories. This article is not intended to discuss all possible and major root-causes of failure. It will focus primarily on a small part of a single Critical Success Factor (CSF) but one that is critical, often overlooked and underestimated. See Figure 1.0 Change Journey CSF Framework for all factors to manage in a change journey. Managing stakeholders and “bringing people on board your change journey” is one of the most difficult

Employees



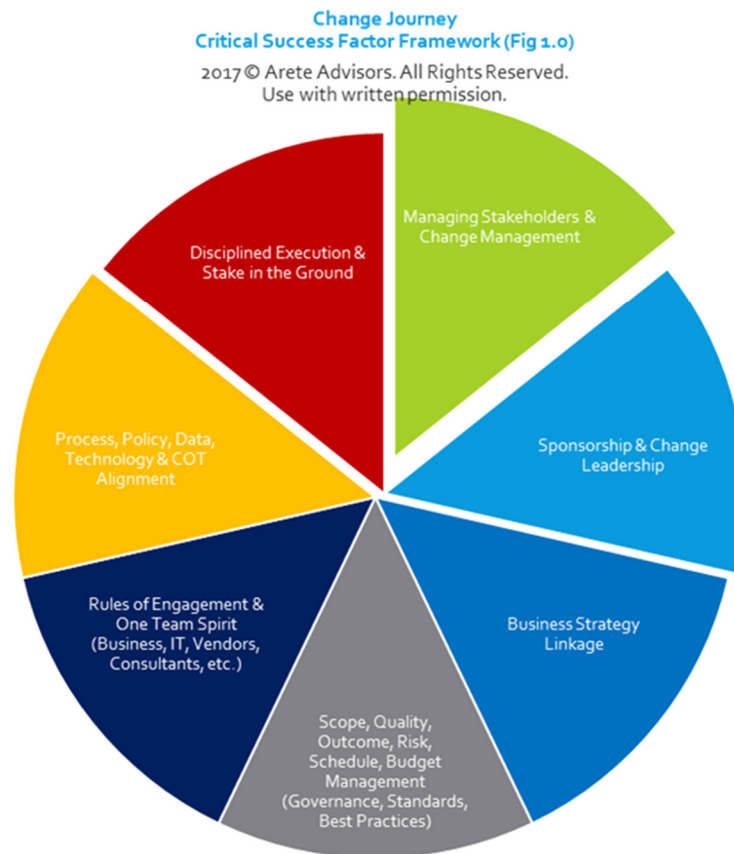
Management



workstreams necessary to enable your change to be successful. No amount of textbook studying, research and classroom training can sufficiently prepare one to skillfully manage stakeholders. Inexperienced change practitioners or those who haven't been scarred a few times doing so would be equally ill-prepared. Veteran business leaders, politicians and Ivy-League-trained C-suite are no better prepared. Think how the initial roll-out of Obamacare caught the media's frenzy because its

planned go-live blew up with epic proportions.

I wanted to convey, even if it required a touch of dramatism to do so, the criticality of this activity and how if done ineffectively, will not produce the desired outcome. How if neglected entirely, would yield failure.



What is stakeholder management?



Stakeholder management is a series of actions and outcomes intended to assess and nuancedly understand what makes an impacted stakeholder tick individually and as a collective group. It requires an understanding of how the change vision and plan impact your stakeholders, and who are those stakeholders that are impacted. It requires dissecting how stakeholders feel and what do they think about the change and the impact the change has on them, what they expect out of the change, and the process of getting through the change journey. It is understanding

what the stakeholders' pain-points and implications of the change are through the stakeholders' lens, not yours or the company's. The purpose of identifying their expectations, desires, interests and hot buttons is to develop a program and/or series of activities that are designed to alleviate stakeholders' fears and concerns, to respond and address concerns, issues, and interests in a positive manner. It is to reduce the fear of change, build confidence in and commitment towards the change. It is a series of activities designed to specifically yield behavioral change and actions from the part of the affected stakeholders. The ultimate purpose of the stakeholder management workstream is to build and sustain "buy-in" and support for change. In plain English, it is the act of asking the people impacted by the change to actively participate and support the change and to view the change as a positive thing that will benefit them. If the change does not benefit them individually, you are essentially compelling them to support the change because it would benefit the greater good. Think about it. This is a big statement. Whether the change affects 100s or 1,000s of people, you are asking each person to make a commitment to the change irrespective of whether it benefits them or not. It is a big ask by the company because no change will benefit everyone equally. So, if you are asking many to give up something of value to them for the benefit of a greater cause, you will want to do it nicely and effectively, in a manner that speaks to and wins hearts and minds. Every individual is different and has different needs, that is why asking for large-scale change is so difficult and often fails when not done properly.

What are some techniques to consider?

As a change sponsor, business leader or senior management member highly vested in the change outcome, the first thing to recognize is this is not a task you can simply and fully delegate to a change analyst or practitioner for the "box to be checked" for completion.

Here are some tactics to consider:

1. Right Stakeholders

Identify the right stakeholders impacted by the change. A change practitioner can assist to facilitate what is called a stakeholder analysis to identify the key stakeholders affected by the change and how these stakeholders are affected (process, systems, jobs, contracts, service, products, span of authority and control, etc.) by the change but ultimately the sponsor and business leader must actively participate in ensuring that the relevant key stakeholders (large customers, key suppliers, business or functional executives that may resist the change because they have something to lose from the change, the "squeaky wheel" executives, key geographies, product lines, departments and employees who will be affected) are *comprehensively* identified.



2. Actively Listen for Champions and Resistors



Actively listen for verbal and non-verbal cues to identify those for and against change. Actively be on the lookout for key personnel (all ranks) who are pro-change and can serve as effective change agents or champions for your change. Do the same to identify resistors in your direct reports and their staff and among your immediate key stakeholders and company network (Board, customers, auditors, etc.). Identify and religiously make mental and documented notes of expectations, desires, concerns, and “hot buttons”. Why? Managing stakeholders is about bringing everyone onboard the change journey. To do so, you need to identify the reasons they are for or against change so that you can use the right strategies and

mechanisms to address their concerns and secure their support and commitment for change. Change practitioners coin it as, “having everyone’s buy-in” for change. The perfect system, process, technology and solution will not enable change. People do. Anyone who is affected by the change can block, derail and set the change up for failure. Staff and C-suite have equal power and influence in this regard. A staff that hogs information necessary for enabling change could do it unnoticed and cause the go-live date to go haywire. A manager who feels threatened by the change could inadvertently discourage or threaten (true incident) staff who demonstrate enthusiasm for the change. A mid-level executive who stands to lose influence because of change could sabotage the change unnoticed by senior management (another true incident).

Middle-management or executives who block change are also known as the *frozen middle*. Left unaddressed, mid-level executives and managers who are often relied upon by

top management to facilitate change because they are the bridge between staff and senior management, can cause more harm than resistance from lower level staff. Often passive aggressive, their behaviors against change are only visible to their teams or staff members. Commonly politically astute, they would conceal their true negative feelings about the change from top management. Direct reports, teams or staff witnessing these passive aggressive behaviors would not normally report those behaviors to top management, for fear of backlash. Mechanisms must be established to identify these passive aggressive behaviors while protecting staff and teams from their managers’ retribution.



Conversely, key employees, managers and executives who are pro-change (not just brown-nosing) can be very effective in influencing their peers and direct/indirect staff to positively support the change. (Note: Champions must be coached in a systematic and coordinated manner to be effective for the change – Not discussed in this article).

You want to discuss the hot buttons of each of these influencers and resistors with your change leader or practitioner so that the appropriate change strategy can be defined to leverage those who are pro-change, and to address those resistors. Resistors, if unmanaged, can do increasing harm and damage to

the change journey, and this could go undetected, until its far too late. Those who are pro-change, must also be managed to get the most outcome that can positively impact the change initiative. Leveraged well, stakeholders who are pro-change could make a difference between successful and unsuccessful change.



3. Engage

You have identified the right stakeholders. You have done a good job differentiating the resisters from the champions. Next, is to ensure stakeholders are engaged. Engagement must be tailored to create the outcomes and behaviors you need to achieve from each stakeholder group. Engagement for champions would look different from engagement with the rest of the stakeholder groups. Engagement would also differ depending on the type of outcome and behaviors you expect to achieve from stakeholders. **Engagement is *not***

merely communicating, keeping stakeholders apprised or as some perceive, to be building and maintaining relationships. The goal of

engagement is to compel specific behaviors or actions from the stakeholder. To do so, you may inform, communicate, motivate, energize, coach, influence or use some other technique or a combination of techniques. As an example, you expect staff to embrace change and diligently participate in training, but you might expect managers and leaders to encourage, motivate and reinforce positive behaviors towards change, and take actions to ensure their teams are able to allocate time needed to project activities. Also, mechanisms for engaging with champion can be different to those targeted for resistor groups. As an example, Champions are your change agents whom you want to leverage to influence others. So, engagement would involve a series of actions designed to create awareness, educate, train



"What if, and I know this sounds kooky, we communicated with the employees."

and empower change agents to execute on activities that would strategically and systematically increase the number of people who will become believers and take positive action for your change program. By the same token, you would design a series of actions intended to minimize resistance and mitigate against the risk of the things that could go wrong and that are caused by resisters. Some companies use a hardline and threaten resisters with a stick, but I tend to encourage using a carrot as much as you can until all else fails. The carrot system is ultimately much cheaper. The

trick is to find the right balance that works for your company and culture. Not willing to do either is what sets change up for utter failure out of the gate. At GE, they used both stick and carrot to encourage their Six Sigma deployment. Their stick was that every senior executive must complete a black belt certification or risk losing their job. While it worked for them, it may not work for everyone. This article focuses on champions and resisters, but we should not neglect those on the fence because they make up most of the people. Get them on board, minimize resistance from resisters, and you have a strong chance of delivering successful change outcomes and positive change journey experiences. Creating a positive change journey experience for those impacted is just as important as the outcome so you want a program that ensures there is a feedback loop to engage and seek stakeholders feedback on a continuous basis during the journey.

4. Celebrate

The importance of celebrating (small and large) successes and creating reward mechanisms as part of your change campaign to build excitement, motivate grass-roots support for change and sustain

momentum for a long, large or multi-year change journey cannot be stressed enough. Projects are exhausting for a lot of impacted employees. Most change initiatives require employees to participate in the project in addition to their regular jobs. This requires them to take on more work, put in more hours, for equal pay. Some companies have started recognizing the importance of rewarding employees on projects with spot-bonus or increased annual bonus. Nonetheless, those are few and far in between, and are typically done infrequently, at year-end, or long after the employee puts in grueling project hours in addition to their standard hours.



takes a toll on employees.

For many employees, unless they are full-time project members, the additional project responsibility an operations staff assumes is hard work; mentally and physically. They have to learn new systems, ways of doing things, report to a different person (commonly a project leader or project team leader) in addition to their regular supervisor and meet tight-deadlines. They often work long hours or put in hours well beyond their daily job requirements. Projects are inherently complex because of the uncertainty involved, highly time-sensitive and deliverable-focused activities and the need to conform to new team and project organization structures, governance and reporting expectations is high. All of this

If management fails to recognize and address this in a proper fashion, you will find large numbers of project employees disgruntled and resentful of the project. This could add salt to the wound if the employees were already fearful, on the fence or mildly resistant to the change in the first place.

Celebrating success is not the only lever, but it is integral to aid in promoting a positive sentiment about the change intermittently. Rewarding high performing project employees, celebrating major milestones and completion of pilot and major phases as a project team, and if done strategically and properly can be effective in promoting goodwill for the project. This goodwill can in turn increase positive influences about the change indirectly and directly as employees develop a strong affinity with the project (because successes spur good feelings), create positive publicity about the project and advocate participation for the project.

Bringing It All Together

Managing stakeholders requires discipline, structure, and using some best practices that work for your organization (to avoid re-inventing the wheel and leveraging on decades of industry lessons learned). But ultimately what makes it effective or ineffective is ensuring that you have the



right level change management expertise or practitioner who has skillfully led change successfully in a broad range of environments and charters to guide you through these steps. Smaller change initiatives could probably get away with a change manager or director. But a substantial initiative with large stakes would require a Senior Change Executive and a qualified team of Change specialists. Managing

stakeholders is as much an art as it is a science. The art comes from relevant years of having been there and done it, using a balance of best practice tools but also applying business knowledge and pragmatism. This article discusses a few key tactics used in managing stakeholders. Someone who has been there and done it would have these and other techniques in their toolbox not discussed here because of space limitation. Highly skilled practitioners can recognize nuances that are hard to otherwise detect because you

cannot learn them from textbooks, coded manuals or merely getting certified in the discipline. The discipline requires years of experience working with large and diverse groups of people, ethnic backgrounds, business and technical knowledge and cultures to get a good handle of the vibes “felt on the ground” working side-by-side with stakeholders, to develop a sense of what works and what doesn’t. Human beings are complex, and in an organization going through change, the complexities are more profound. A highly skilled practitioner leverages as much technical know-how and how-to, as they do instincts that were developed and honed on the job. Someone who is capable of driving large complex change has to be a bit of a psychiatrist because they need to be able to read people well, read them individually, as well as size them up in group settings to tailor their communication and messaging style to make sure the messages are received in the best way possible.

Highly skilled practitioners can also help you differentiate symptoms from root-causes of change issues quickly and recognize risks and issues around the corner. They would have worked in the trenches and can quickly figure out what aspects of rigid structures can be done without or how best to accelerate engaging stakeholders in any given environment. They have an instinct as to what techniques to dial up or down. Those who have been through various large-scale organizational changes of variety and in different geographies can tap into their arsenal of lessons learned to avoid common pitfalls and get a derailed change plan back on track quickly.

I would also urge you to recognize that, like any field, there are areas of specialty and different levels of proficiency. I will use, perhaps a radical analogy to explain my point. If you had a flu, you wouldn’t see a heart surgeon. If you need a by-pass surgery, you wouldn’t use an internist. Conversely, you will require the right change expertise to manage your stakeholders depending on complexity. You may require both a “Heart Surgeon” as well as an “Internist” level change practitioner to do the job effectively depending on whether your change requires as much high-level, strategic work, as “blocking and tackling”. Unlike the healthcare field, change management practitioners do not differentiate themselves by nice labels for their areas of specialty. If you ask change practitioners, many will tell you that they’ve done stakeholder management. Your job, as a major vested stakeholder in the change outcome is to identify and differentiate if you need a heart surgeon or internist or both for stakeholder management, depending on the complexity and magnitude of your change. Then identify the person who can tackle those various strategic and tactical scenarios.

Lastly, it is important to recognize that stakeholder management is only one of many components of the

change discipline and it must be executed in concert with the other areas of change shown in the Change Framework (Diagram 1) to successfully bring everyone along your change journey.

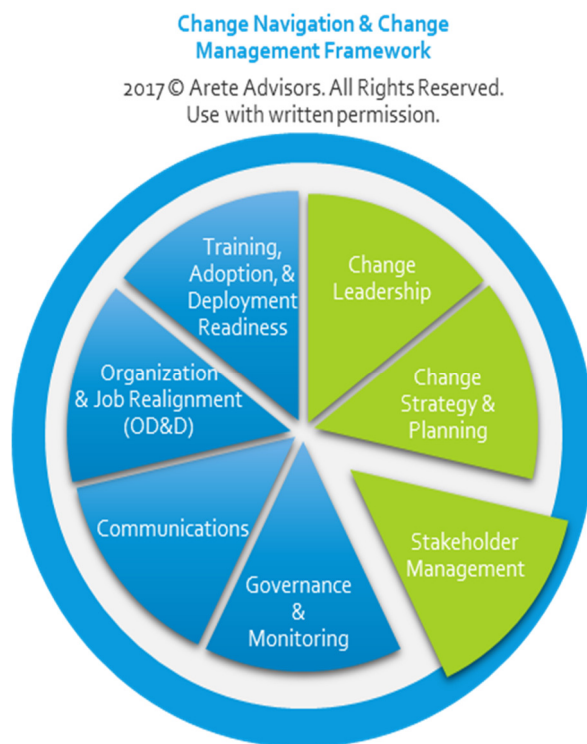


Diagram 1

■ High percentage of strategic-level activities

■ High % of design and tactical activities

Resources

1. Kotter, Dr. John P., *8 Step Change Model* from <https://www.kotterinc.com/8-steps-process-for-leading-change/>

areté

Achieve more with less

Arete Advisors is a boutique management and technology consultancy. Areté (pronounced ah-ree-tay) specializes in transformation change, change leadership, stakeholder management, operational and organizational change management, and human capital management.

Visit company website

www.areteadvisorsltd.com

About Transformation Change and
Change Management, visit

<https://www.areteadvisorsltd.com/changemanagement>

For information about our Human Capital & Change Management services, contact:

Stan Wien

Associate Principal

sw@areteadvisorsltd.com

For more information about this article, contact:

Lilian Snodgrass

Managing Director

ls@areteadvisorsltd.com

This Publication

This publication is written by Arete Advisors LLC ("Areté").

Disclaimer

This publication does not constitute professional advice and you should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, Arete Advisors does not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.