

Change Management: Getting Employees on Board

By Martin Staubus



I'm an employee – maybe an adjuster at an insurance firm, maybe a marketing assistant at a hardware distributor. I like my routine. I get up every morning at 6:30 a.m., listen to my favorite music, get out the door around 7:20 a.m. Stop at my local Starbuck's (been doing the hazelnut macchiatos this week) and pull into the company parking lot at 7:57 a.m. (traffic willing). A few hellos to colleagues, then plop into my desk-chair. Flip on the desktop, read some news sites (maybe sports, maybe gossip), check Facebook, and log off when the boss stops in.

Same goes for my work routine. I got it down to a science – I can almost do it on autopilot.

And now my boss wants to toss all that out to put in a new system?! Yeah, yeah, greater efficiency, lower costs, blah, blah, blah. It's just a big pain in the neck to me. Why can't we just stick with the old system?

People are *homeostatic* – they don't like change. <http://www.yourdictionary.com/homeostatic>. At least not without a good reason that makes the change attractive. So academic studies and real-world experience are chock full of examples of situations in which a company's senior management (usually aided by expert consultants) devised a new and better way to get work done – cheaper, faster, more efficient – only to have the employees sandbag the change initiative. They play dumb, they "forget," they accidentally break the new equipment, and management's brilliant new initiative dies a sorry death.

Change initiatives are notorious for their failure rate. <http://journal.acs-cam.org.uk/data/archive/2009/200901-article2.pdf>. And that's especially troubling given that change is practically a constant in today's business environment. Is there a way to increase the odds of success?

Yes. Change initiatives fail when the employees have no stake in the upside. Indeed, too often change initiatives represent only a threat to employees – difficult new skills to learn, maybe even

the possibility of layoffs. The solution? Give them a stake in the upside.

It Starts with the Why

Humans are not robots. We humans need to care about something before we put real effort into it. So every change initiative needs to start with the “Why.” What’s the big picture? Why does this change matter? Only after management has communicated this vision of a better future will the employees be ready to listen to the details – the specifics of the change itself.

<http://www.startwithwhy.com/>.

Of course, the “Why” will surely be tied to the positive impact of the change on the company’s financial performance. And why should the employees care about that? If you haven’t presented a compelling proposition as to why employees should care about the success of the company, let that be your most important assignment today.

If your company is working on a cure for cancer or building the first manned space vehicle to Mars, your challenge is simple. If your company sells insurance or distributes parts for the widget manufacturing industry, you won’t be able to rely on the compelling power of your mission. What to do then? Well, consider why the company’s owner cares about the company’s success. No doubt he is motivated by the personal wealth that he stands to gain if the company grows successfully. He also takes pride in that success. The companies that are growing fastest today have found ways to extend those motives to the employees. (Example: New Belgium Brewing, the fastest growing craft brewery in the U.S.

<http://www.newbelgium.com/sustainability/Stories.aspx>). These companies give their employees an opportunity to participate in the ownership of the company, so that employees have a clear stake – pride and profit – in the venture. These companies practice “open book management” so employees can keep score, follow the action, and see if the business is performing well.

<http://www.ggob.com/>. At these companies, when management presents the idea of a new way to get things done cheaper/better/faster, the employees are all in favor, jumping on the opportunity to improve their company. These companies implement positive change with enthusiasm and success. These companies will own the future.

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