What does it mean to be a Change-Ready Organization?

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Until earlier this year, most organizational transformations were self-authored. C-Suites, senior teams, transformation offices, and agile teams across organizations defined new strategies and direction, changed operating models, responded to competitive moves, and reimagined culture and leader expectations. Change felt under leaders' control. It felt manageable, it felt planned – at least at the top of organizations.

Right now, disruption is at a whole different level. Global supply chains have been completely altered. There are few reliable precedents for consumer and customer buying patterns. Vast portions of the workforce are working remotely. This disruption is pervasive, personal, and redefining everything about how people work. Reading market signals, pivoting quickly, trying new things, and rallying people to innovate and problem solve define the new work of leadership.

Through intention, circumstances, and luck, some organizations are doing better than others. When the crisis hit, they were Change-Ready. So, **what does it mean to be a Change-Ready Organization?**

First, it's critical to look at the existing and pervasive beliefs about change. Approaches that rely on therapeutic or psychological models and metaphors about dying are not relevant. Newer change research demonstrates that it's time to reexamine traditional approaches to change; how leaders think about change needs to change. With new perspectives from this research, there are a few conditions that stand out as significantly increasing an organization's change readiness.

Attitude about change
Individual and organization-wide reactions to change are the determining factors in whether the change will be successful.[1] But prevailing change management approaches focus on change success factors such as how organizations prepare, communicate, and implement organizational change.

An organization grudgingly following a meticulously designed change plan is not change-ready. The disciplined pursuit of instructions actually makes organizations more vulnerable to disruption.

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1   Oreg et al, 2011, p. 462

Since attitudes toward change are often unconscious, it's critical to reveal and understand the reasoning for those reactions in order to accept them – the first step in creating conditions

for successful change. While reactions vary, there are three broad categories used to identify unconscious and learned reactions to change that are unrealistic and unproductive in today's environment:

1. Blindly accepting change. Since traditionally strategic change comes from above, people can "take cover" behind the defense that leading this level of change is "above my pay grade."

2. Defending against change. People want to rely on historic experiences and knowledge, not recognizing or purposefully ignoring that their experience may no longer be relevant. This reaction to change embodies the "wait and it will pass" mindset.

3. Taking charge. Making plans and using action – any action - to alleviate the discomfort of uncertainty is another reaction. In some leaders, this leads to micromanaging and reserving decisions to unnecessarily high levels in the organization.

All these reactions to change have one thing in common: they address change as a temporary problem to be solved - a threat to be avoided, fought off, or controlled. The alternative is to see change as continuous and the source of new possibilities.

Changing how you think about change, changes how you lead it. These are a few of the things that Change-Ready Organizations do differently, principally because they believe something different:

Engagement in change

People are more committed to changes that they help to create.[2] It is not yet feasible to efficiently engage an entire organization in defining strategy, operating models, or culture with speed.

However, leaders need to acknowledge that in order to be agile, pivot with market shifts, and learn from their experiments, their role is to set purpose and then rely on leaders and teams across the organization to problem solve and figure out how to implement.

Building trust
Where there are high levels of trust in leaders, employees will engage in change even before they fully understand the plan. Emotional agreement precedes, and is more important than, intellectual understanding to move forward.[3]

Change-Ready Organizations focus less on explaining the what, why, and how, and instead spend more time building excitement to engage with the future.

So, what does a Change-Ready Organization look like? What does it feel like to work in one?

1. **Customers are the reason for continuous change**

   Customer obsession and customer centricity have become cliché for leaders and organizations to talk about. While these are the right things to focus on, they are a lot harder to internalize.

   However, in Change-Ready Organizations, people know that the reason for continuous change is to better serve their customers. They leverage new technologies, change business models

2   Wanberg & Banas, 2000 and C. E. Cunningham et al., 2002

3   Parry, Warren, Big Change, Best Path: Successfully managing organizational change with wisdom, analytics and insight, 2015

and processes, and test at a small scale to learn and apply at a large scale, anticipating new needs, filling previously unseen gaps, and delighting customers each day. Gaining new customers, deepening loyalty of existing customers, even creating whole new markets of customers – are worthy and positive reasons to change.

By adopting the attitude that the primary reason for change is the customer and their needs, desires, and purchase alternatives, a Change-Ready Organization is continually evolving with the customer. The customer is the organization's source of innovation, competitiveness, and fun.

2. **Change-Ready Organizations are loud**

There is debate, candor, an obligation to dissent and seek new answers. This requires rewriting the rules around engagement. When everyone's focus is a common purpose, the best organizations understand that there are many ways to achieve that purpose. Change-Ready Organizations consider, gather data, and debate multiple alternatives.

For example: a tech company focused on growth framed three strategic alternatives for rapid growth. All three strategies were born from ideas that had been floating around the organization. The executive team formalized these alternatives and used a "what if" model to see what it would take for the company to reach its goals under each alternative.

This allowed the executive team to conduct a detailed and data-driven debate that provided a tangible way to understand the risks of each option and align to a single course of action they could all support. When bringing this new direction to their top 150 leaders, the executive team included time for debate which improved engagement and understanding across the organization's leadership.

A Change-Ready Organization is engaged in inventing the future and authoring the change to fulfill the company's purpose in the most powerful way.

3. **Teams are the center of gravity**

The new defining structure of Change-Ready Organizations is teams. And teaming is a new essential mindset and skill set. Because of the complexity of the problems organizations need to solve, and the number of different perspectives required to solve these problems, almost everything of importance happens in teams.

These can be ad hoc teams, intact teams, initiative teams, or just routine teaming across organizational boundaries. Teams need to move quickly together and bring together the right data, perspectives, functions, and debates to move into the future.

Trust runs in two directions: First, leaders trust their teams because they rally the right team members and know that diversity produces better solutions. They set direction and hold the team accountable.

Second, teams trust their leaders because leaders are clear about the direction, honest about what is known and unknown, and believe that by working together the organization will succeed.

The seismic shift behind these movements that are required to become a Change-Ready Organization is that the very identity of leaders has changed, requiring new mindsets and skillsets that permeate all that they do.

While navigating continuous change themselves, leaders need to:
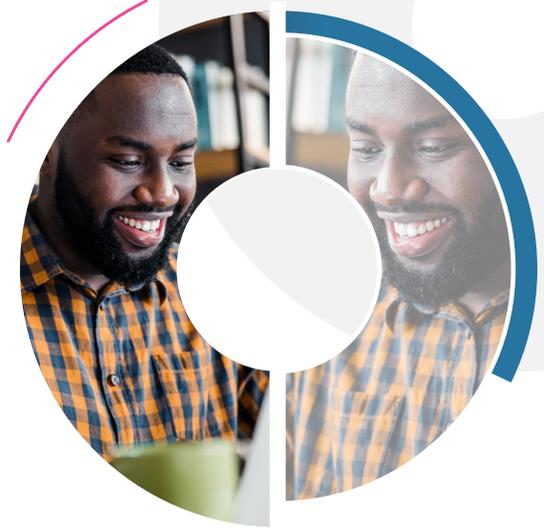
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Focusing on reasons for change that do not resonate with their employees - such as share price or slowing growth.	Rallying others around the customer and purpose-driven, positive reasons for change.
Cutting through uncertainty by ignoring the various reactions to change and focusing only on business issues.	Welcoming conflicting views, assumptions, and feelings of the team that change elicits.
Being either: 1. Too focused on the current situation while ignoring future possibilities, or 2. Too dismissive of short-term challenges and overly optimistic about the ease of implementing change.	Promoting the company's purpose while simultaneously balancing the realities of today with future possibilities.
Seeking "safe" input and views while holding individuals accountable for complex decisions or projects.	Shifting the focus from individuals to teams where diverse views and perspectives are possible and holding the team accountable.
Creating a crisis or a "burning platform" for change, which communicates that change is something that has to be "gotten through."	Accepting change, paradox, and complexity as facts of life that yield new possibilities.

The "why" of being a Change-Ready Organization is clear. Organizations need the agility to keep pace with emerging customer needs, the ability to be decisive in the moment and strategic over time, and the motivation to continuously learn at or above the speed of change in today's challenging business environment. Change-Ready Organizations are also very human communities – places where people accept conflicting emotions around change and work together to get comfortable with uncertainty. Being Change-Ready means having the right mindsets, habits, and vision to see what has gone unseen in the past. It is the organizational skillset of the future.