Change management: it's the people, stupid

Why is it so many change management programmes run into the sand and end up changing, well, nothing?

A new book has argued that it's because they focus too much on changing systems, processes and procedures and not enough on changing people and the culture of the organisation.

In essence, then, change management is about doing what it says on the tin: changing how you manage.

According to John B McGuire and Gary B Rhodes, of North Carolina's Center for Creative Leadership, too many change management initiatives, even after decades of advice and guidance, still fail to make an impact on their organisations.

The net result is that leaders are left feeling frustrated, morale plummets and companies are trapped in the status quo, a dire situation that most organisations will be able to afford in the best of times, let alone in today's volatile economic climate.

In their book, Transforming Your Leadership Culture, McGuire and Rhodes argue that the heart of the problem is that management teams too often hung up on changing an organisation's systems and forget that it is the people and culture of an organisation that really makes it tick.

It is the beliefs and behaviours related to leadership – in other words how workers respond to their leadership and management teams – that organisations display daily and which, in turn, play a key role in how engaged and productive an organisation is at any one time.

"When leaders take on and follow through on cultural transformation alongside their strategic and operational changes, they consistently succeed in reaching performance goals," said McGuire, a senior faculty member at CCL.

"They often just need help knowing how to change the culture," he added.

What is also clear, they argued, is that effective change management has to start from the top.

Executives cannot delegate transformation to others and, without leading first by engagement and example, success is very unlikely, the authors contend.

What's more, culture change has to be a personal process first and foremost – by investing themselves in it, executives literally become instruments of change.

Change also comes when beliefs change, suggested McGuire and Rhodes.

Altering organisational structures and systems is not enough, deeply held beliefs also need to change, as they will be what drive the decisions and behaviour in the organisation and which, in turn, will be the source of new and better leadership practices.

Successful change, they argued, starts with the beliefs of the senior leadership culture and spreads into the middle of the organisation. From there, it is likely that momentum will build as successive levels of employees buy into change. In an environment of turbulence, complexity and ambiguity, organisations need "bigger minds" if they are going to thrive and survive.

What is meant by this is having an organisation where teams and individuals are open to more than one right answer, where collaboration is valued and where there is headroom for colleagues to experiment and grow, they recommend.

"Transforming an organisation's culture to face new challenges is very possible and increasingly vital in today's economy," McGuire said.

"Individuals, teams and entire organisations can change their belief systems, current mindsets and learn more collaborative behaviours. Bigger minds can be created to solve bigger problems," he added.

This is by no means the first time this argument has been made, yet clearly it is one that needs reiterating until the message gets through.

Just last November, for example, M-I columnist Charles Helliwell made the point that collaborative change required senior operational management to recognise that they did not possess all the answers.

"It requires a degree of humility that many will find a step too far. Too many egos and too much empire-building often torpedo the opportunity before it gets started," he argued.

Similarly, at the start of last year U.S change leadership consultancy Pivotal Resources argued that the reason why many American businesses are so bad at effecting change is because managers have so many "priority" projects on the go at once they can't tell any more what's important and what's not.

And back in 2007 consultancy Deloitte made almost exactly the same point as McGuire and Rhodes in research which argued that people were the main reason change management programmes failed, rather than inadequate processes, strategy or technology.