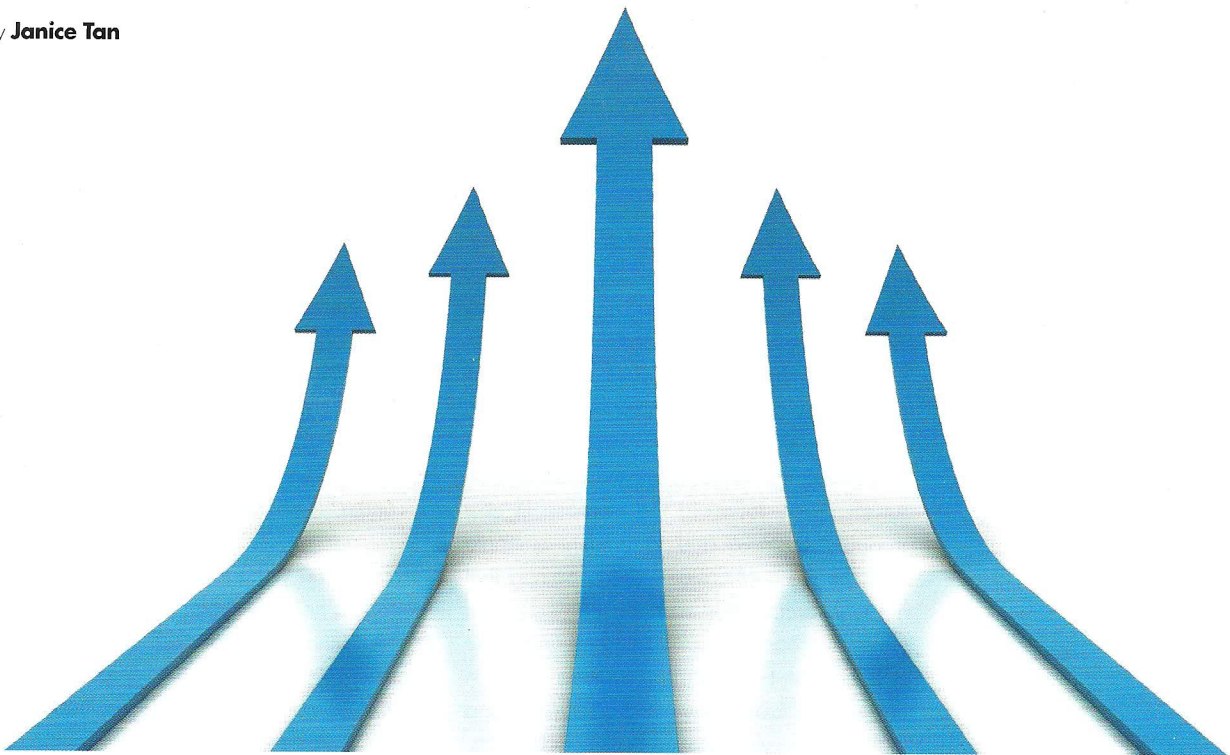# LEADING THE WAY TO SUCCESSFUL CHANGE

How to predict future business environments and drive a company ahead of its competitors.

By **Janice Tan**

Change is inevitable. Change knocks on everybody's door. "Everything flows, nothing stands still" said Plato in Cratylus. This is so true, nothing is constant except change. Even the business world has become highly competitive and unpredictable. As business environments evolve, organisations have to change the way they conduct their businesses. In order to be a trend setter in the business world, the organisational leaders need to foresee and predict the future business environments and drive their companies ahead of their competitors.

Leading change initiative calls for great leadership skills. No doubt, leading change is one of the most challenging tasks leaders can face. As leaders are responsible for setting the direction and inspiring their employees in achieving the corporate goals, it is imperative that leaderships have to provide new vision and drive the change. There are two main issues which leaders of any organisation have to deliberate carefully. Firstly, they measure the impact and benefits their organisation will reap if changes are implemented. Secondly, a clear understanding of the potential repercussions caused to their organisation if changes are not initiated. According to Adizes (1988), a management guru and the author of Corporate Lifecycles, business people must be innovative, be creative, and be willing to take risks for their organisations to continue. He adds that if these leaders do not lead the change, their organisations will die.

LEWIN'S CHANGE MANAGEMENT MODEL

In the 1940s, physicist cum psychologist Kurt Lewin, identified three stages to effecting a change. The three stages are Unfreeze-Change-Freeze. Although many other Change Management theorists after him have developed their change models, Lewin's Change Management model still holds true in the 21st century. Lewin's theory helps leaders to look at the change process with three distinctive stages. It also helps leaders to plan the changes, manage the transitions, and embed the change initiatives deep in the culture of an organisation.

Lewin's explanation of an organisational change is through a simple analogy of changing the shape of an ice cube into a cone shape. Before anyone can change the ice cube into a cone shape, the individual will have to melt the ice cube (Unfreeze stage). Then the water is poured into a cone shaped container (Change stage). When the water freezes, it will form into the shape of a cone (Freeze stage).

The Unfreezing Stage

In this Unfreezing stage, the leaders have to prepare their organisations to embrace the necessary changes. The first place to start change is to challenge the employees to see the need for change and alter the organisation's culture — beliefs, attitudes, and behaviours on 'the way things are done here'.

The Change Stage

When the employees understand how the changes are going to benefit them, they will start to buy-in the changes. In this Change stage, they will settle down, participate, accept, and develop new habits of 'the better ways of doing things here'.

The Freezing Stage

When the organisations show signs of stability, the new culture would have become part of the organisations. In this Freezing stage, the new ways of doing things have become 'the normal ways of doing things here'.

KOTTER'S EIGHT PRACTICAL STEPS FOR SUCCESSFUL IMPLEMENTATION OF CHANGE

While Lewin provides a framework on the three stages of change, John Kotter (2007), a present day leadership guru, developed an 8-Step Process to assist leaders in organisations to ensure success in implementing and adapting to changes. According to Kotter, the way to implement any successful change in organisations is when leaders take a holistic approach.

Step 1: Establishing a Sense of Urgency

The leaders of change understand the sense of urgency and help their employees see the importance of and urgency for the need to change. Leaders who present compelling messages of change will galvanise their employees into action to overcome their resistance to change.

Step 2: Creating the Guiding Coalition

Effective leaders put together the right team

> **AT THE PEAK OF THE ORGANISATIONAL LIFECYCLE, INTEGRATION AND INTERDEPENDENCIES REPLACE ENTREPRENEURING FOCUS.**

of people who trust each other and share the change commitment. This committed coalition will drive, influence, and lead the change effort in the organisation.

Step 3: Creating a Change Vision and Strategy

These visionary leaders create strategically feasible visions to inspire and guide their employees to change. Good strategy encompasses a simplified decision making process that will motivate and coordinate the employees' change effort effectively.

Step 4: Communicating the Vision

Leaders of change regularly and effectively communicate to their employees through every possible communication channel. Effective communication has to flow two ways between the leaders and their staff.

Step 5: Empowering Broad-based Action

The leaders empower others to act on the new vision to remove obstacles to change and encourage risks-taking including embracing non-traditional ideas. Eliminating the change barriers will allow their employees to work well in the new environment.

Step 6: Generating Short-term Wins

Effective change leaders plan for short term wins and achievements that can be easily made visible. These short term wins, rewards, and recognition are essential to promote optimism and boost morale within the organisations.

Step 7: Consolidating Improvements and Never Letting Up

Efficacious leaders capitalise on the credibility of the short term wins to change systems, structures, and policies that don't fit the new vision. The relentless change initiatives such as new projects, themes, and selection of the right people will strengthen the new direction of the organisation.

Step 8: Incorporating Changes into the Culture

Leaders incorporate the new culture by inspiring their employees to see how the new vision has transformed them into invigorated organisations. When leaders continuously reinforce the new culture into their organisations, the employees will internalise and institutionalise these changes thus making the new culture stick.

COMMUNICATION – THE KEY TO EFFECTIVE CHANGE

Leaders instituting change in their organisations must employ all forms of communication channels to disseminate information during each stage of the change process. Communication can never be over emphasised during this critical period. All communications to the employees relating to change have to be timed correctly. If the notification is too close to the Unfreezing stage, the employees may not have ample time to digest the news and prepare for the impending changes. Furthermore, if there is a big time gap between the announcement and implementation, the employees may be restless and will not take the changes in stride. To overcome the employees' strong reactions of uncertainties and resistance to change, the frontrunners need to emphasise to their employees that the changes are for the future survival of their organisation and for themselves as well.

In order to communicate the need for change in a genuine manner, it is advisable that these people in authority appoint a spokesperson – a senior executive who

the employees trust. Their compelling and inspiring messages have to be aligned with their business realities. It should also be as broad on the whole and where needed with specific and technical details. Therefore, by employing effective and clear explanations, leaders will be able to connect and manage the expectations of their employees on the change process.

WHEN DO LEADERS INITIATE CHANGE?

There are different ideas when change should take place within an organisation. Some leaders believe in staging a crisis such as creative accounting to show a deep red in the financial sheets to force their employees to change. Others resort to showing their competitors' facts and market analysis pertaining to their future business.

According to Adizes (1988), the leadership entrepreneuring skill is the proactive key that changes organisations over their life cycles. When organisations are starting up or are still young, their founding leaders are fully focused on entrepreneuring as they spend most of their time experimenting and taking risks to accomplish their vision and goals. At the adolescence stage, although the founder leaders are still focused on entrepreneuring, they are shifting their energy to building structure to their organisations. Just before the peak of the organisation's lifecycle, entrepreneurship starts to lose its momentum as administration and performance roles develop. At the peak of the organisational lifecycle, integration and interdependence replaces entrepreneuring focus. Thereafter, the organisations slide into decline as entrepreneuring decreases and is mostly replaced by bureaucracy.

Adizes believes where entrepreneuring leadership exists, the organisations will grow strong. However, when entrepreneuring declines, these organisations will start to decay and die because they are weighed down by bureaucracy. The bureaucracy prevents leaders from taking risks to react to their business environments. In essence, effective change leaders possess great entrepreneuring spirit. They are not afraid to engage business risks and initiate the necessary changes in every part of their organisational lifecycle in order to drive their organisation towards new territories.

Sims (2011), the author of Little Bets, believes that successful creativity or innovation is the outcome of a disciplined approach to experiments that depend on little bets. Little bets are low risk actions taken by people to discover, test, and develop an idea affordably. The Amazon CEO's, Jeff Bezos, little bets are going down blind alleys. In Amazon's case some of their blind alleys do not lead to dead ends but to highways of great successes.

In the East, the Japanese have a working culture known as KAIZEN. KAI, meaning "change", and ZEN, meaning "good". Both Amazon and the Japanese cultures are testimonies of organisational leaders working with their employees based on trust, open confrontation, employee empowerment, and participation. Daft (2013), another guru on management and the author of Organisation Theory and Design, believes that leaders must create conducive conditions to create and implement good ideas.

"It is not the strongest [organisation] that survives, nor the most intelligent, but the one most responsive to change." – Charles Darwin

The role of a leader in any organisation is critical to its success. Leading change in an organisation calls for leaders with entrepreneuring spirit, risk taking appetite and creativity. Changes to organisations are inevitable and are necessary for survival. Organisations that embrace change achieve lasting endurance and are always in the forefront of their industries. Such organisations can deliver exceptional and sustainable results, extending their life cycles over a long period of time. Their ship captains are always poised and ready to steer the organisations away from rough seas. ◼