CHANGE ADAPTORS

To manage the increasing volume and complexity of change within organisations, HR leaders should embrace their role as influential change agents. *HRM* asked experts about the skills and strategic mindsets required to facilitate this critical function. BY **KATE NEILSON**

The only thing business leaders can be certain of these days is that change, in some shape or form, is always just around the corner. We don't know if it will be good; we don't know if it will be bad. We just know it's inevitable. And while the old adage suggests that "change is as good as a holiday", we must also pay attention to an equally cliched idiom: "You can have too much of a good thing."

Recent research from PwC suggests more than half of the 56,000 global workers it surveyed felt their organisations were dealing with too much change at once, putting them at risk of experiencing change fatigue.

Separate research from Gartner showed that in 2016, the average business faced two planned enterprise-wide transformations each year (think: restructures, mergers, major technology changes, etc.). In 2023, that rose to 11 per year.

As the volume of change is increasing, so too is the complexity.

"The most common changes we see are organisational restructures, senior leadership transitions and technology implementation programs," says Neal Woolrich, Director of HR Advisory at Gartner.

"These can be complex and disorienting for employees because they all have the potential to disrupt the structures, workflows and networks that people are familiar with and rely on to get their work done efficiently."

At the same time, Gartner found that in 2023, only 41 per cent of employees were willing to support their company's change initiatives, down from 43 per cent in 2022 and 74 per cent in 2016.

"A drop in change willingness can be corrosive across a number of business and talent outcomes, but the biggest impact is on responsiveness, which is the ability of employees to know their stakeholders, anticipate a change in stakeholder needs and adapt," says Woolrich.

"An organisation suffering from change fatigue can see responsiveness cut by more than half.

"The key talent impact from a lack of change willingness is on intent to stay, which can drop by up to 24 per cent. That can put an organisation into a downward spiral – more employees leaving means more change, and the risk of greater change fatigue."

Which levers to pull

HR leaders are equipped with many of the skills required to enable successful adoption of organisational change. Often, they just need to know which levers to pull.

"HR don't always tend to get involved with change. It seems to go through strategy, technology or operations, but there's a big opportunity for HR to step forward and own the policy framework around change in organisations," says Dr Jen Frahm, author and co-founder and Managing Director of the Agile Change Leadership Institute.

"One of the biggest levers that HR execs have got is the most recent change to workplace health and safety legislation: the psychosocial risk hazard requirements. If we're not designing change well, if we are not being cognisant of our people's experience of that change, there could be pretty significant consequences."

Overwhelmed with change

While there are many external factors impacting the amount of change businesses are experiencing, internal factors can also perpetuate employees' sense of overwhelm.

"In some organisations, it's a lack of connectivity. They genuinely don't realise that other parts of their business are also introducing change projects," says Frahm.

"Leaders have this immense pressure to deliver business outcomes, and they see change as a natural way to do that. But that lack of connecting the dots inside the organisation means your people are being hit with multiple changes at the same time."

Another reason change overwhelm could be taking hold is because many organisations reward leaders who are seen to be "transformational", says Frahm.

"There's a strong sense of identity and prestige associated with being the leader who brings in change."

This can mean some leaders engage in change initiatives for the wrong reason: to boost their standing in the business rather than to align with the strategy and move the organisation closer to its goals.

"When you're not thoughtful or prudent about the change you do, you risk cannibalising the change that needs to be done," says Frahm.

That could result in productivity issues, poor customer experiences or increased stress leave due to poorly managed processes.

This is when change fatigue kicks in, which can lead to lower rates of enterprise

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contribution, poorer performance and lower intent to stay with the organisation.

HR's role in change

In order to keep change fatigue at bay, organisations need to embed a high amount of trust and facilitate strong team cohesion. One way to do this is by practising open-source change management, which engages employees in the change process (see page 17).

"There are three key pillars to open-source change management: employees co-creating their change decisions, employees owning implementation planning, and also [giving] employees permission to talk openly about change," says Woolrich.

Organisations that successfully embraced »

open-source change initiatives saw a reduction in change fatigue by up to 29 per cent.

"And employees' willingness to [embrace] change is almost 50 per cent higher in those organisations," he says.

For employees to contribute to an open-source model, they need mental space.

"Very few organisations put a moratorium on voluntary change when external changes hit," says Frahm. "That's really problematic because people don't have the capacity to absorb that much change [when] they're still required to do their business-as-usual work. When you're overloading them with change, everything sinks.

If we talk about the cost of poorly managed change, the biggest cost is to employees' wellbeing. The cognitive overload and attention tax is significant. People are really paying the price when it comes to how their brains are operating and functioning under too much change."

In many respects, people are still trying to "adapt to the new world and its new operating rhythm" post pandemic, says Michelle Lim, Organisational Culture and Change Lead at the Reserve Bank of Australia.

"As HR professionals, we need to be able to help translate what this change means on a behavioural level."

This can look like modelling desired behaviours, she says.

"When embedding and implementing a new or enterprise-wide change, HR leaders and people managers should define and exemplify the behaviours they wish to see in their teams," says Lim. "Essentially, they need to first walk the talk and embody the behaviours they wish to see."

It's also important to take the time to connect your people to the broader changes.

"If you don't have a strong culture and if people don't feel aligned to the changes you're making, or feel like they can play a role, they start to feel disconnected. That's when you start to see people leaving the organisation."

Valu-adding consultancy

Frahm says that to ensure considerations such as this are factored into all organisational change initiatives, HR leaders should be involved at the early stages of green lighting and approval of funding of change initiatives.

"This is a really strong opportunity for HR to get involved in assessing the case for change by providing that value-adding consultancy and partnership.

"It means you're not using HR to clean up when things go wrong, which is operational and tactical work, such as mediating conflict, policing policy adherence and coordinating extra communication."

There are often perception barriers that HR practitioners need to overcome before they can truly make an impact in this type of work, says Lim.

"There's often this tension where people see HR professionals as a blocker to getting things done. How do we as HR professionals – or as people who are mobilising change in an organisation – influence and change that mindset?"

The key, says Lim, is to develop a robust communications strategy in conjunction with your change strategy.

"I feel frustrated when people don't understand how important communication is. It's everything. If you can cater your key message to different audiences' risk appetite and their involvement, that's when you see transformational change," she says. "It also means the change is more likely to stick."

Tailored communication is always more powerful than generic messaging. Leverage the insights gleaned from your relationships with key stakeholders to create tailored communication plans, she adds.

"Align that with your organisation's goals and purpose. Then take the time to learn what motivates and drives your key stakeholders, and craft your communication in a way that resonates with them," says Lim.

"You want them to feel like they're part of the journey and helping to make it happen."

Lim also suggests utilising a trusted change management model to help give your project structure. The ADKAR model (see below) is one she often turns to.

"It touches on all of the key things you need to be thinking of, such as understanding people's motivations. All HR professionals should learn more about this model and then test it out in a small-scale change."

Then, of course, there's the work of preparing oneself to be an agent for change.

According to Frahm, there are five key mindset shifts required before anyone is ready to lead change within a business. They are:

1. Done is better than perfect: Perfection is the enemy of change, she says.

"This mindset shift can be a challenge for some people in HR, as it can be at odds with the mindset of someone who has ultimate accountability for payroll, for example. That's why we stress that accuracy and quality are important, but neither of those are perfection."

2. From an expert to a beginner mindset: This is about being comfortable asking questions like, 'How might we…?' and 'But, why?'

"HR practitioners have a strong emphasis placed on their expertise. They've been recruited, promoted and rewarded based on having expertise. Yet in change, it's very difficult to be an expert. You really need to get comfortable thinking like a beginner."

3. Failure seeking over failure aversion: This is about normalising trying new things.

"We're not saying [you should] fail in front of the shareholders or customers, but normalise failure within your teams as you experiment with new ways of doing things."

4. Self-compassion over self-judgement: When you're leading a change initiative, it can often trigger negative thoughts and feelings. »
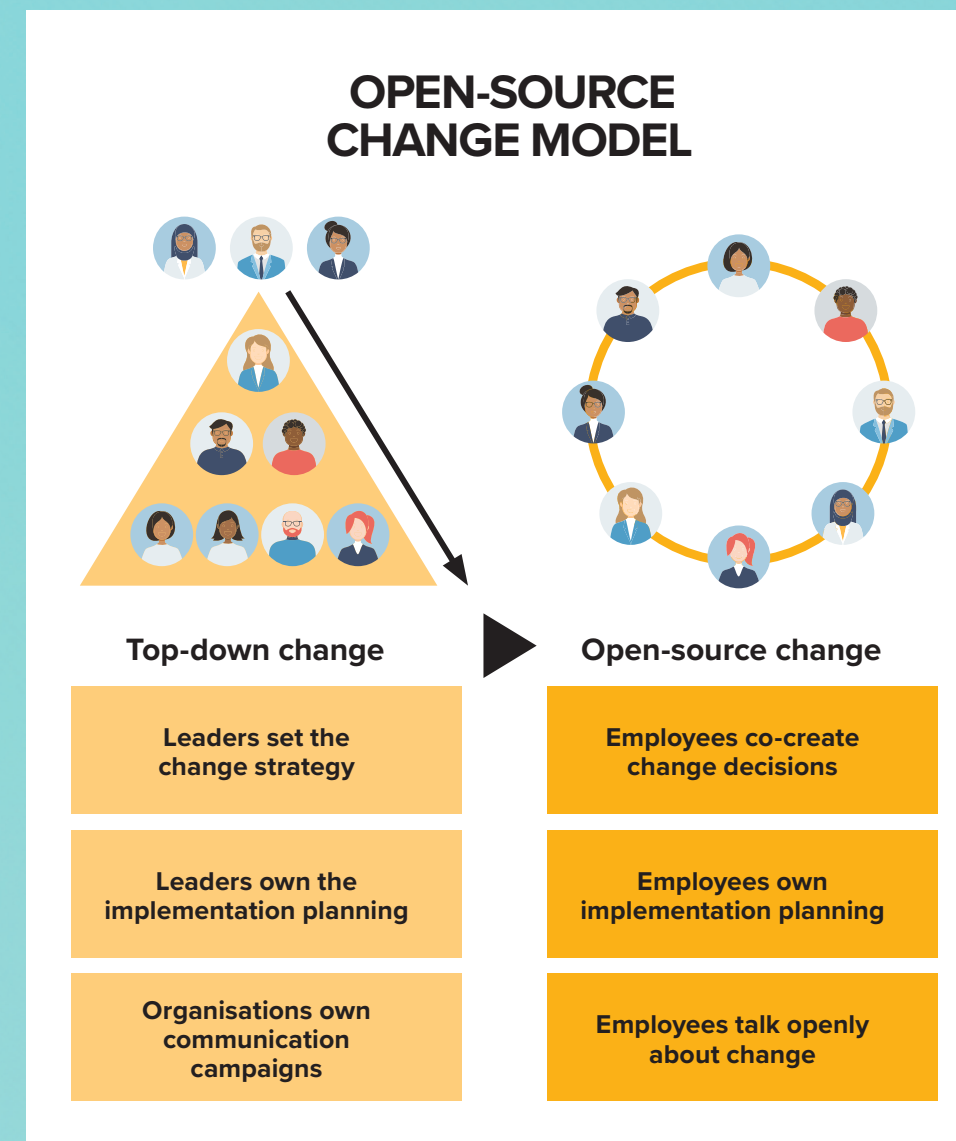

OPEN-SOURCE CHANGE MODEL

Top-down change

| Leaders set the change strategy |
| Leaders own the implementation planning |
| Organisations own communication campaigns |

Open-source change

| Employees co-create change decisions |
| Employees own implementation planning |
| Employees talk openly about change |

Image: Gartner.

THE ADKAR MODEL

AWARENESS
"This is about building a communication plan," says Michelle Lim. "If it's appropriate, you can build anticipation and excitement about the change. You could get a senior leader to talk about it in a meeting and invite people to share their thoughts. You want to build engagement."

DESIRE
Once people are engaged, you can extract information to learn more about people's motivations."I like to treat it like a market research project. Understand how people are reacting to the change and then tweak your messaging or your implementation approach to align with their motivations and desires."

KNOWLEDGE
"Focus on giving people information that makes them feel empowered. You don't want them feeling anxious and not understanding how it's going to affect their work. Be clear and articulate the details of the change." Knowledge building can look like a communications plan, training, information sharing sessions such as Q&As, and one-on-ones with managers.

ABILITY
"This phase is crucial because it focuses on equipping individuals with the necessary skills and tools to implement the change effectively. From equipping people with the right skills and access to resources, to building confidence, removing barriers and providing ongoing support."

REINFORCEMENT
This is an incredibly important aspect of the processes if you want change to stick. "I use the analogy of teaching someone how to ride a bike: you show them how to ride it (awareness) and then you might say, 'If you learn how to ride it, you'll be able to go places really quickly' (desire); and then you might tell them about training wheels (knowledge) and have them practise (ability). Then the reinforcement is about encouraging them to get back on the bike if they fall off. People need to feel taken care of, heard and seen."

"Imagine if you're a leader trying to introduce a change and everyone is upset. That might trigger the thought, 'People don't like me anymore.' The only way to deal with that is self-compassion."

5. Empathy over engagement: Over the years, leaders have shifted from directing to consulting to engaging, says Frahm. But to be an effective change champion, you need to engage with empathy.

"The reason I put emphasis on empathy is that engagement activity in change is often seen as a tick-box activity, where there is no use of the information gathered in the engagement. This mindset shift reminds us that empathy should be core to change design if you want change that works."

Next, Frahm suggests ensuring you're comfortable using basic change management tools (scan the QR code for some useful AHRI templates).

"The main tools you need are: a change impact analysis, a stakeholder analysis and a change readiness assessment. If every HR business partner knew how to run these tools, every conversation about change would be so much more constructive."

Enterprise-level change

Trying to flow change through an entire organisation is no easy feat. There are some useful things you can do before, during and after a change program that can set you up for success.

Before the change

Be aware of your 'change runway'. This is about knowing how many changes you can run in tandem with one another, says Frahm.

You need to develop systems to determine if you're conducting too much or too little change.

"Understand what the volume of change is at the moment and what's planned. Map that against the business-as-usual activity in the organisation and then pull the people data that gives you information on capacity to absorb change – such as employee engagement, sick leave, stress leave and exit interviews."

Find your change champions. Lim says these people don't necessarily need to be at the executive level in the first instance.

"It could be an employee resource group [ERG], for example. Say you're trying to create change around the gender pay gap and you want to get something over the line. You need to connect with a group that resonates [with your end goal], such as your DEI ERG." Once you've got this group on board and have developed some momentum towards your desired change, then you would connect this to an executive sponsor at the top of the organisation who can help to move the initiative forward, she says.

Bundle change into themes. Base all change around the key priorities in your business strategy, of which there should be no more than four priorities, according to Frahm.

"Our brain has the capacity to chunk things down, but four seems to be the magic number. So you want to be clear about how you describe any changes you're implementing in the language of your four or fewer objectives.

"So for one change, you want to be able to say something like, 'This is an example of how we're chasing customer centricity.' You're chunking all of your change into your strategic priorities. That makes it easier for your employees to understand it."

During the change

Facilitate a culture of experimentation. Businesses see a 46 per cent drop in change fatigue when employees feel a strong sense of safety to experiment and challenge, says Woolrich.

"The safety to experiment in times of change is a prerequisite for people to feel empowered, to contribute, to make a difference," he says. "There is a clear role for HR teams to create that accountability for fostering safety to experiment."

Mercado Libre, an e-commerce retailer based in Argentina, does this well, he says.

It developed a decision-making framework to help employees decide on 90 per cent of decisions made in the business, with the other 10 per cent escalated to leaders.

Employees are coached to apply three criteria to determine whether to escalate a decision:

1. Is it reversible?
2. Is there a low correction cost?
3. Does it have a limited impact on the ecosystem?

If employees can answer 'yes' to all three, they are empowered to make the decision themselves. However, they are supplied with guidelines to help them, such as how long certain decisions should take, how decisions should be communicated and how they will be executed.

For example, Woolrich says a general rule of thumb is that decisions owned by employees should be executed within a week, and the 10 per cent that are escalated are usually decisions that would take a few months, and several meetings, to make a call on.

"This way, during periods of high disruption and high change, employees will intuitively know those routines that are safe to experiment with."

After the change

Focus on the adoption of the change rather than just the installation of it.

"What a lot of companies do is put all their efforts into when the change is going live, and then the resourcing gets pulled away," says Frahm. "Whereas the reality is, the benefits you're hoping to get out of a change are always going to lag after installation. Keep the attention on the change for three to six months post-launch."

Be prepared to work with your resistors. Change is disconcerting for a lot of executives, especially if the status quo has suited them. So you'll likely come up against some change-resistant stakeholders during the process. When this happens, Frahm suggests, present them with a business case for change done poorly.

"If the exec is change-resistant, they already have a fairly strong negativity bias, and a threat response to change. Trying to use logic, persuasion or influence doesn't always work with these people. You've got to use a business case that talks to the commercials of poorly done change.

"You can also try one-on-one engagement. Seek to understand why that executive is resistant to change, then see if you can gain their permission to try a few experiments to shift their thinking. Make it small enough that it's not going to impact the business. That gives them some data to reconsider their thought processes. You give them control over changing their mind."

Duty of stability

It needs to be remembered that employees are exposed to incredible amounts of change outside of their work lives too, so a critical aspect of HR's role is to ensure stability. Organisations that are effective at building stability have employee engagement levels 61 per cent higher than organisations that are not, says Woolrich.

"While it may seem inevitable that more change is coming our way, HR leaders also have an opportunity, and I would say a duty, to provide stability for their people. Organisational culture is a huge untapped opportunity to provide stability. Only one in four employees feels a connection to their organisation's culture, so it's incumbent on leaders to set clear expectations on how we do things and provide a strong foundation for employees."

Lim concurs, "A strong foundational culture acts like a compass of stability during times of change. When you can get this right, innovation flourishes and resilience grows." •••

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CHANGE RECIPIENT OR INITIATOR?

When assessing organisational change initiatives, people tend to be put into one of two categories, says Dr Jen Frahm: change recipients or change initiators.

"There are different change experiences and attributes based on which one you are," she says.

CHANGE RECIPIENTS
tend to have:
- Less autonomy over the design of the change
- Less information about the change
- Less control over how the change is implemented
- Multiple changes being thrust upon them at the same time.

CHANGE INITIATORS
tend to have:
- More power to decide what change should be implemented
- Advanced understanding of why it is necessary
- Authority and accountability for the implementation
- A singular focus on change.

"The differences in change experience speaks to why it is so important to engage with deep empathy. And be tolerant of failure – change recipients can struggle in ways that change initiators won't."

Once you've identified who sits in which camp, you can create a self-serve model for each group.

"With one organisation I worked with, we rolled out four hours of training to 700 people in the organisation, so they all knew how to use a small set of change tools regardless of their role. So team leaders were able to say, 'I've heard about a change coming through, let me do a change impact assessment that will help manage that change with my team.' That's a really empowering way of doing change."

CHANGE MANAGEMENT
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