

Change Readiness



Our organizational experts say managing change is no longer enough and explain how your company can become change ready.

Since 1990, organizational development has focused on the organization's capacity for managing change, i.e., how managers can be better change agents, leaders, and managers of change.

With the rate of change today at its fastest in recorded history, managing change is no longer enough. Instead, we must begin to create change-ready organizations that can respond to change in real time and come out better for it on the other side. Change readiness, it seems, is the new change management.

Rather than just one facet of an organization's capabilities, change readiness is the coordinated integration of many factors and abilities, including the culture. Consider these questions, each from a different discipline, with your organization in mind:

- Does your organization have a continuous improvement mindset?
- Are innovation and learning valued and rewarded?
- Is leadership respected and trusted?
- Does your culture reward or punish risktaking?
- Do senior leaders model agility and flexibility?
- Does your organization have a dominant change preference, and how does that impact the way change is framed and understood?
- Does your leadership respond appropriately and lead effectively in a crisis?

Although each question provides a window into how change ready your organization is, it's only when all these perspectives are considered as a whole that your company's true change readiness can be revealed.

Integration framework

Thanks to an emerging organizational change capacity framework that integrates all of this information in a meaningful way, you can begin to define and measure your organization's readiness to change in four key capacities: change awareness, change agility, change reaction, and change mechanisms (see figure, below).

Change awareness is the ability to proactively search for and see opportunities for renewal and innovation. An organization with good change awareness is skilled at scanning the environment for opportunities and emerging trends, planning for the future, and redefining itself as needed.

Change agility is the capacity of leaders to facilitate and deliver change that's needed. An organization with good change agility can communicate and engage commitment to achieve needed change in a timely manner, giving it the capacity to stretch, adapt skills, and shift resources when necessary.

Change reaction represents the ability to analyze problems, assess risks, and manage the reactions of employees to react and respond appropriately and quickly to unplanned change (change that stems from market, economic, and technology changes rather than internal strategy and innovation).

Change mechanisms are the structures and systems that support the implementation of change. This includes having clear goal alignment across functions, the ability to integrate a change into existing systems, accountability for results, and reward systems that reinforce desired change behaviors.

Holistic approach

How high is your change awareness? How do you scan the environment for new opportunities and market changes? How about your change agility? Is the organization able to engage and deliver changes envisioned by leadership? How quick and appropriate is your change reaction? Does the organization effectively assess risk and manage unplanned change? Finally, how well are your change mechanisms performing? Are organizational structures and systems capable of supporting the implementation of change?

The answers will be different for every organization, but the questions have never been more relevant or more important to the survival of your company.

Once you integrate the information about your organization's change readiness revealed by examining your company's

change awareness, change agility, change reaction, and change mechanisms, you can assess and quantify your change readiness from four important strategic perspectives:

- 1. Problem projects.** What are the forces behind the failure of current change initiatives?
- 2. New initiatives.** What can the organization do to increase the chances of the success of future initiatives?
- 3. Macro analysis.** What can the organization do to proactively increase its overall capacity for innovation and change readiness?
- 4. Metrics:** How can the organization measure its efforts to increase its change readiness and benchmark progress along the way?

Remember, your organization's change readiness isn't just one capability; it's an integration of many factors. By considering all of them, you can gain a better understanding of organizational change and the current change readiness of your own organization.

With this understanding, you can begin to develop the characteristics that increase change readiness (and extinguish the ones that stand in the way), creating a change-ready organization that will thrive and improve because of change rather than simply survive it. ☰

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