

Change Management = Performance Management

“Change management” has likely become an overused buzzword in leadership consulting circles. Yet, managing change continues to be an ongoing challenge in almost every type of organization. A change may encompass the implementation of an organization-wide operating system or improvement program, a new strategic direction, the merger of two organizations, or simply a shift in specific procedures, roles, or priorities. In all cases, the success or failure of managing *change* primarily depends on the organization’s effectiveness in *managing what people do*.

Change Management

Certainly, major system implementations or organizational mergers require the development of a logical sequence of events and appropriate project management. Yet, at the heart of even the most significant change is effectively and consistently achieving the desired employee behaviors. Some of the original authors of the change management movement put it this way:

“The ultimate skill for change mastery...consists of the ability to conceive, construct, and **convert into behavior** a new view of organizational reality.” Rosabeth Moss Kanter, *The Change Masters* (1982)

“Every successful transition from the present state to the desired state entails these two prerequisites.

1. Pain: a critical mass of information that justifies **breaking from the status quo**.
2. Remedy: **desirable, accessible actions** that would solve the problem or take advantage of the opportunity afforded by the current situation.”

Daryl Conner, *Managing At The Speed of Change* (1992)

“However, the best leaders make change an organizational value by modeling, teaching, **reinforcing**, and refining the principles of the change model **in all day-to-day operations**. Change leaders devote as much time to dealing with **human and organizational issues** as with technical issues.”

Dalziel & Schoonover, *Changing Ways* (1988)

Managing change is ultimately the management of employee actions and behavior.

Performance Management

At its core, what are the primary elements in managing employee performance?

- People need to know specifically what is expected of them and why.
- They need to have the ability, resources, and time to accomplish what needs to be done.
- Operating systems and management practices (that drive the culture), must align with and continually encourage the required behaviors.

CAUTION: All too often, leaders equate managing employee performance with an “annual performance review.” This evaluation process began decades ago when a system was needed to determine how wage increases should be allocated within a company. By numerically ranking different aspects of performance, the evaluation was designed to force managers to rank employees by their perceived value. It was not designed to improve performance. Over the years, with the advent of Human Resource Management, the process evolved more toward employee development, trying to separate the wage component. Yet, improving performance requires *on-going* communication from management, as well as aligned systems and a supportive culture. This cannot be accomplished with an annual performance review.

Whether integrating a new employee, improving the performance of a current employee, or leading significant organizational change, the basic elements remain the same.

Clear Expectations: It is management's responsibility to ensure employees always know what is expected of them and why, and how their function relates to the organization's success. This is also the case when undertaking a major change initiative. Employees must understand *what* specifically needs to change and *why*, as well as what will not change. They need to know how their role is affected by the change, and specifically what behavior needs to change for them. This is the critical first step. Unfortunately, many performance improvement and change initiatives stop here - simply telling people what to do.

Providing Skills and Time: Managers must also be sure employees are able to actually do what is expected. Do they possess the appropriate knowledge, skills, and resources to accomplish what needs to be done? If new skills are required, training and/or mentoring will be necessary. *Time* to transition is also essential. New behaviors and skills, focused on new goals, is not accomplished with an on/off switch. There is an awkward, less productive period that must be worked through as employees process, learn, and practice new behaviors. Management must ensure employees have the understanding, the skills, and are given time to transition.

Supportive Culture: “How we do things around here,” is also known as an organization's culture. Current operating systems along with management practices and values are primary factors in establishing the culture. If real change is expected, these systems and practices must also change to reinforce the required new behaviors. Unknowingly, the culture that management perpetuates often reinforces the wrong behaviors. When a manager becomes aware of an employee's inadequate performance, they tend to look at what happened *before* the occurrence. The reaction may be, “I don't understand, I've repeatedly told him what needs to change.” Or, “She completed the training course – doesn't she get it?” Managing change or improvement, means changing behavior. Simply telling or training someone what they should or shouldn't do is only the first part of the equation. The other essential ingredient for changing behavior is the consistent reinforcement *after* someone's actions.

For example, a current change initiative may require the implementation of customer service training to strategically increase customer ratings. Service representatives are trained to be more courteous, systematic, and patient with customers. But once they are out of the classroom, they return to financial incentives given to them for efficiency and fast turnover of customer calls. Their manager is still incented for efficiency of the entire service team. Customer service reps are told and trained to do one thing, but the management systems and culture reinforces something else.

Leaders cannot preach quality and reward quantity. They can't talk "teamwork," yet continually reward and promote "lone ranger" employees. Managers cannot promote change, while protecting the status quo. To effectively implement a change initiative, leaders must ensure that all organizational procedures, policies, and practices align and reinforce the desired behaviors.

In Summary

Managing change primarily requires changing what employees do, no matter what the scope of change. Even with detailed project management processes, a significant organizational change that is not focused on managing behaviors will be doomed to failure. Real, lasting change is not accomplished through an announcement, training course, or annual performance review. It is an ongoing process of communication and consistent reinforcement of the desired behaviors within the organization.

Identical to the elements of managing employee performance, are the elements of managing change:

- Managers must ensure their employees know specifically what is changing, what is not, what is expected of them, and why.
- Employees in every role need to obtain the ability, resources, and time to transition into consistently doing what needs to be done.
- Operating systems and management practices which drive the culture, must also shift to align with and continually encourage the required new behaviors.

Whether integrating a new employee, improving the performance of a current employee, or managing significant organizational change, the basics elements remain the same. The essence of successfully managing change is to effectively manage employee performance.

Michael Wilkes & Company specializes in management consulting and leadership team development for churches, nonprofit organizations, and closely-held businesses challenged by the necessary leadership transitions due to growth or strategic change. For further information: www.michaelwilkesco.com