

The Advantages of Engaging Employees at an Early Stage of a Change Process

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Summary:

It's often said that most change initiatives fail to achieve their objectives. A question is "Why?" Based on experience and her hypothesis that successful change initiatives engage employees early on, Margareta studied merger-related change events in two financial institutions headquartered in Europe. In one bank, employees were invited into and actively involved in strategic-level dialogues. Employees in the other bank were not. Margareta's analysis involved in-depth interviews with decision makers, project leaders, other employees, and external consultants who facilitated the changes, as well as a literature review.

Notably, the merger in which employees were involved early in the change process was more successful, and ongoing business performance remained strong.

The results in the other bank included declines in morale, revenues and market share, as well as the need for a large-scale initiative to regroup and repair employee and relationships. This included involving consultants to design a series of structured and facilitated interactive dialogues with 230 managers and 13,200 employees. A qualitative study indicated that this initiative helped restore and increase understanding about necessary new behaviours.

Margareta concludes that - in a strategic change - leaders need to go beyond creating awareness to achieve understanding. Employees (and other stakeholders) who truly understand the need for change are motivated and better equipped able to carry out the Vision.

Recommendations:

Generating deeper understanding requires as much emphasis on open communications as cost, productivity, structure and process. This helps attract and create "transformation agents", people who can better see the future and make decisions today. An approach of communicating with and engaging employees calls on leaders to:

Reflect: Make change decisions based on close and thoughtful study (not impressions or trends), including clarity about the scope and complexity of specific changes.

Communicate Early: Hold dialogues about the purpose and goals of change before starting any tactical projects.

Clarify Accountabilities: Describe and deploy responsibilities for action, including even the small changes that can have a big impact.

Communicate Often: Provide managers with tools to communicate consistent messages, and then continue to communicate frequently – citing progress and stumbles, as well as revisions to the vision and plans.

Persevere.