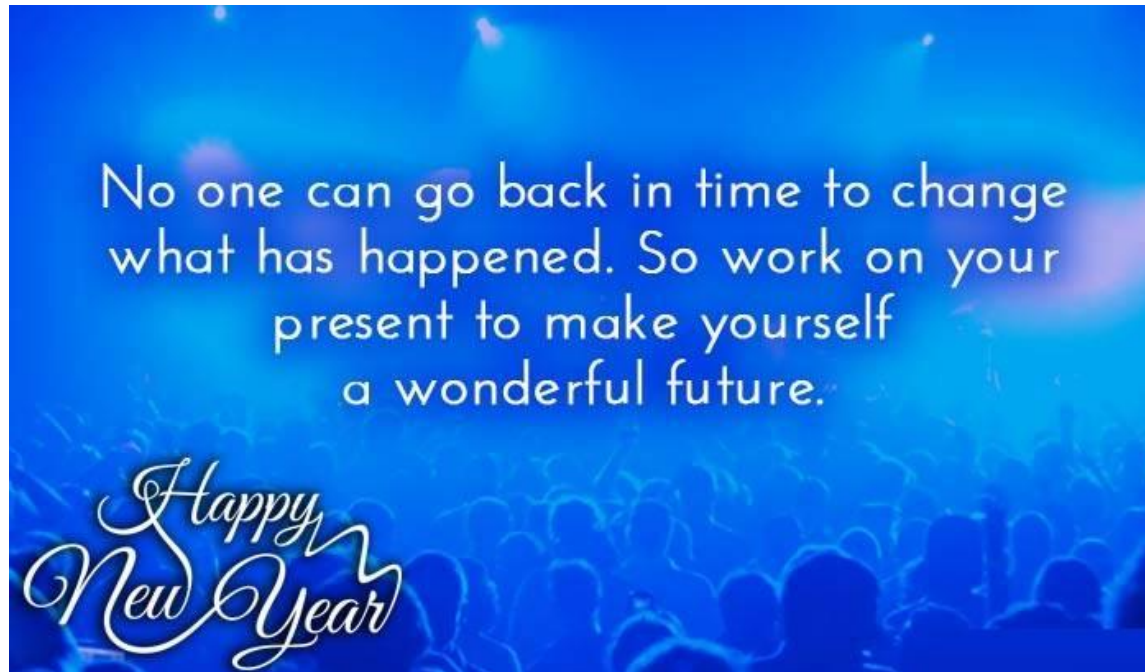


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Business transformation: How to lead effectively

How can businesses transform successfully? What should the priorities be and how should leadership interact with employees?

Without question the biggest obstacle to corporate transformation is underestimating the work effort required. It is relatively easy to suggest or ask for change at the strategic level. However, the transformation in practical terms is rarely translated very well to a tactical level and then even less so moving on to the operational level. There is a lot more to consider as you translate the change from idea, to practical roll-out and then to the people level. Another issue is that change is often driven by numbers or processes at the expense of the people who make it happen. Financial due diligence is a prerequisite and smart thing to do but very rarely is a proper cultural due diligence process carried out. Who am I dealing with? How will they really respond to the needed changes? Who can I rely on as my guiding coalition? Who and where is my key talent, and how do we protect them through this disruption? What is the expected cultural response going to be?

There are some long-held beliefs about corporate transformation leadership that are really not effective.

The first is the idea that faster is better. This almost always leaves a knowledge vacuum and many unanswered questions that inevitably end up having to be dealt with in some sort of mitigation process. It is better to be deliberate, informative and inclusive when building the transformation agenda and process. Another has to do with a top down approach. I have seen several organizations make decisions that made financial sense but that so upset their revenue streams that they had to make very costly adjustments at best or worse, had to close their business because they chased the clients or key talent away. Another is this idea that “we can always find the right people” to replace those who question or push back on the transformation. Talent is one thing, experience and local wisdom is another.

Leaders can do a lot to guide a positive corporate transformation. Change is very different to transformation. Broadcasting change is an event, a moment in time, it's a statement of a new regime or state. Transformation is the response to that change. It can be a sensitive process encompassing many aspects including, the emotional, financial, social and physical responses to the desired change. It is one thing to suggest or proclaim a new regime or structure, it's another to align the people who ultimately make the changes and will be responsible for the operational success.

There are generally two common responses to corporate transformation.

They are the “Survive Response” and the “Thrive Response.”

The Survive Response is driven by the need to be relevant and to prevent from being fired or let go. It is a fear-based response that is not always logical or coherent. It demands a lot of attention and draws power from the negative or worst-case scenario. As it is largely fear based it requires fact based, logical and clearly evidenced messaging from leadership. It is a ‘me’ focused response. Transformation cannot be imposed on this culture; it has to be co-built with them in partnership taking care to listen and take into account the experience and insights provided. Take time to understand the fears and concerns so that you can build loyalty and understanding, which ultimately creates motivation to effect the changes needed.

The Thrive Culture is a very positive response to change. The organization has clarity of vision and purpose and the rationale for change makes material sense. It is a “we” and “us” based mindset. The concern here is not to motivate but to manage the parameters and extent of the transformation. Sometimes this response is too eager to change things and the staff may overengineer or continue to explore and experiment without defining the solution. Leadership

must be very clear about what is expected, no more and no less with clear benchmarks of with clear benchmarks of achievement or success.

Feedback plays a big role in corporate transformation. Critical, critical, critical. Imposed changes are never fully accepted or owned by those it is imposed upon. It is so important to open up two-way communication channels before, during and after changes as this is where you build that needed sense of ownership, loyalty and most importantly understanding. Be prepared to hear things you do not want to hear, be prepared to be critiqued, be prepared to listen without reacting, be prepared to be corrected. Their perspective is their reality so take it seriously so that they will take you seriously, then it is easier to build solutions that make sense and will be adhered to.

Leaders can show through example the benefit of corporate transformation initiatives. Transformation leaders need to be “all-in” if they want people to hear and adopt their messages. In order to help people see the importance of a transformation – whether it be a corporate change or a shift in mission – the leadership needs to be fully committed to it. Employees, customers, and stakeholders can sense it when the commitment to transformation is not a complete one. Strategic action is the only thing that warrants confidence in transformation leadership. Employees are listening to what their companies say to them. And they are listening even more carefully to what their employers are saying to the outside world. In today’s world of social media, the lines are blurred between the classic models of “internal and external” messages. The one and only strategy that transcends classic communication models: authenticity. Companies perceived to be authentic not only build both internal and external loyalty, but also tend to be more profitable. Open and honest communication is the catalyst for effective and real organizational transformation.

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