

THE CENTER FOR LEADERSHIP STUDIES®

THE GLOBAL HOME OF SITUATIONAL LEADERSHIP®

LEADING ORGANIZATIONAL CHANGE: A STRATEGIC GUIDE TO NAVIGATING UNCERTAINTY

CONTENTS

3 Introduction

5 Management and Leadership: What's the Difference?

8 Leading Through Change

10 Why Change Initiatives Fail

11 The Power of Change Interviews

13 The Impact of Change on Employees' Ability and Willingness

15 Conclusion

17 About Us

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INTRODUCTION

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Leaders play a crucial role in guiding organizations through change and into the future. They often make the difference between companies that thrive—and those that don't—when change hits.

Unfortunately, in a 2023 McKinsey report that surveyed more than 2,500 global business leaders, only half of leaders surveyed said their organizations are "well prepared to anticipate and react to external shocks." With disruptive shifts like digital transformation and, most recently, advancements in artificial intelligence (AI) impacting businesses worldwide, it's vital that leaders are able to effectively navigate change.

By arming leaders with the skills they need to thrive in the face of change and build agility on their teams when those "external shocks" inevitably occur, they will be better equipped to adapt and drive the business forward.

In this e-book, we'll explore the difference between management and leadership—and the role that both play in navigating change. We'll also consider the power of "change interviews" in identifying employees' motivation for (and resistance to) change initiatives, as well as the impact of change on employees' ability and willingness.



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MANAGEMENT AND LEADERSHIP: WHAT'S THE DIFFERENCE?

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> **Managers follow a clear path to success while leaders chart their own.**

There's a notable difference between leading change and managing change. Ultimately, this difference stems more broadly from the difference between management and leadership.

Management can be defined as working with and through others to achieve organizational goals. It typically refers to a direct reporting relationship between a manager and an employee. On the other hand, leadership is defined as any attempt to influence. Leadership is multidirectional, meaning that it pertains to all individuals who influence others, whether it's their manager or their peers.

Another key difference between management and leadership is that managers typically have a "blueprint" for what success looks like with management. There's a set of processes and best practices they can follow to achieve their goals. Unfortunately, leadership doesn't come with a blueprint for success. Often, leadership requires people to make tough decisions to the best of their ability, with the information available at a given time—and taking accountability for the results of those decisions. In other words, managers follow a clear path to success while leaders chart their own.

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It's Important to note that management and leadership often aren't an "either/or." Typically, it's a "both, and." One might follow an 80-20 approach, as in they practice leadership 80% of the time and management 20% of the time. This ratio may change over time, according to the needs of both team members and the business. For example, you might increase your management ratio when onboarding a new hire, whereas you might increase your leadership ratio when supporting your team through a major transition, such as a merger or acquisition.



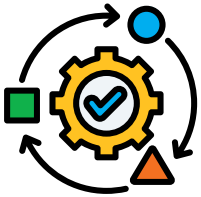
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LEADING THROUGH CHANGE

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In the past, change was often something that organizations could manage. A leader might know how to effectively navigate change using a strategic set of best practices. That's no longer the case. Today's organizations are facing disruptive levels of change largely unseen in years past, and they need skilled leaders who can guide them through this uncharted territory.

To develop leaders who can guide their teams and the business through disruptive change, consider training them on the following skills:



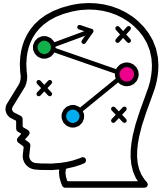
» Adaptability: Leaders need to be able to respond quickly to market shifts so that they can adjust their strategies and processes quickly and at scale.



» Communication: Leaders need to be able to effectively communicate what change means for their teams and the business.



» Resilience: Leaders must be able to push forward in the face of adversity and apply the lessons learned from past challenges to future ones.



» Strategic thinking: Leaders need strategic thinking skills to solve complex problems and develop a forward-thinking strategy that will position the business for future success.

> **Today's organizations are facing disruptive levels of change largely unseen in years past, and they need skilled leaders who can guide them through this uncharted territory.**

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WHY CHANGE INITIATIVES FAIL

Training leaders on skills like adaptability, strategic thinking, resilience and communication can help ensure a change initiative's success. However, many change initiatives still fail. Why? According to Sandy Ogg, founder and CEO of CEO.works, companies often "think big [and] start big, but then things move slow."

Senior executives typically spend ample time defining their vision and strategy before implementing a change. They clearly understand the "what, why and how" of the change initiative. But they often forget to consider the "who"—the people doing the work. They assume that all employees are as motivated (and as prepared) as they are to implement the change initiative without working to secure or gauge their buy-in for the change beforehand.



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THE POWER OF CHANGE INTERVIEWS



For any change initiative to be successful, leaders need to first identify employees' motivation for—or resistance to—the change. Leaders can determine this information by conducting a "change interview."

Similar to "stay interviews" (interviews that organizations conduct with current employees to determine what's motivating them to stay, and which factors could cause them to leave), change interviews can help leaders uncover employees' motivation, or lack thereof, for change.

Some organizations may try to skip this step in order to get a change initiative off the ground faster. However, by taking the time to determine employees' buy-in for a change initiative before its launch, the initiative is much more likely to be successful.

It's worth noting that change interviews don't need to be exhaustive or overly formal to be effective. In fact, managers may find that the best way to uncover employees' true feelings about an impending change is to simply ask: "How are you feeling about this?" Or, "What are your thoughts about this initiative?"

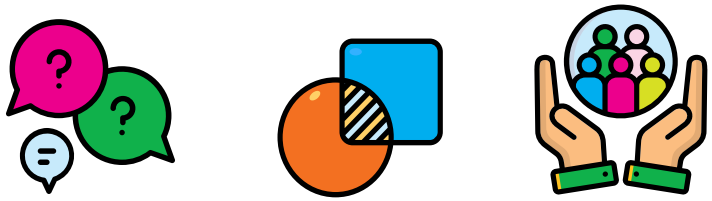
The effectiveness of change interviews ultimately relies on the level of trust and psychological safety present between the manager and the employee. Without trust and psychological safety, employees are unlikely to express their concerns and provide open and honest feedback.

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Consider the following best practices for building trust and psychological safety during the change interview process:

- Don't pretend to have all the answers: In the face of change, employees often look to their manager to "have all the answers" as to what the change will look like and what it means for their role and for the company. Rather than pretend to have all the answers, managers should admit what they don't know—and acknowledge the uncertainty that the change will bring.
- Be transparent: If leaders do know, to some extent, how a change will impact their team members' roles and/or the company at large, it's important that they communicate that openly and honestly. For instance, if the company is going through a merger, acknowledge that the company culture may look different in the future, and that certain processes may evolve, as well.
- Offer support: Leaders should ask their team members how they can best support them through the upcoming change. This might mean providing additional training or more hands-on support, such as coaching or mentoring. Ask employees what they need to be successful and be willing to provide it.



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THE IMPACT OF CHANGE ON EMPLOYEES' ABILITY AND WILLINGNESS

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An employee's Performance Readiness® is defined by their ability and willingness to deliver targeted results. When operating under relatively stable conditions over time, an employees' ability can likely be high: They consistently perform key job responsibilities and tasks at a sustained, acceptable level. Because of their high ability to perform, they are also likely confident and motivated, which, in turn, increases their willingness to perform.

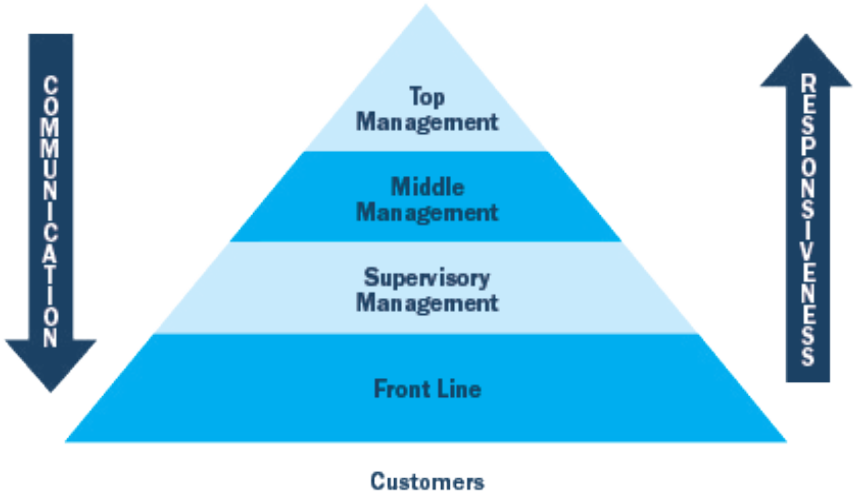
When change hits, however, Performance Readiness® shifts. If the change is significant, employees often don't know how to perform under the new, disrupted conditions. In the context of the Situational Leadership® Model, their ability decreases because they may not have the skills or experience needed to be successful. And when ability decreases, there is frequently a corresponding shift in task-related confidence and or commitment as well.

To adapt to the nuances of the change, leaders need to match movement and realign their approach. In order to enable that response, organizations must move away from viewing change as a "top-down" effort to a "bottom-up" effort.

In the past, it was common for executives to have the luxury of time to decide how to implement a change initiative, and then communicate the particulars down the organizational hierarchy. This meant that the last people to know about the change were the people largely responsible for executing, or responding to, it. (See Figure 1.)

Contemporary disruptive change has effectively "flipped those arrows" (which is reflected in Figure 2). In large part because no one has a plan for unforeseen disruption, front-line employees and managers are active participants in both forming and executing a response strategy. They communicate what they see "up" and work with responsive executives to adapt, respond and adjust.

CHANGE THEN (Figure 1)



CHANGE NOW (Figure 2)



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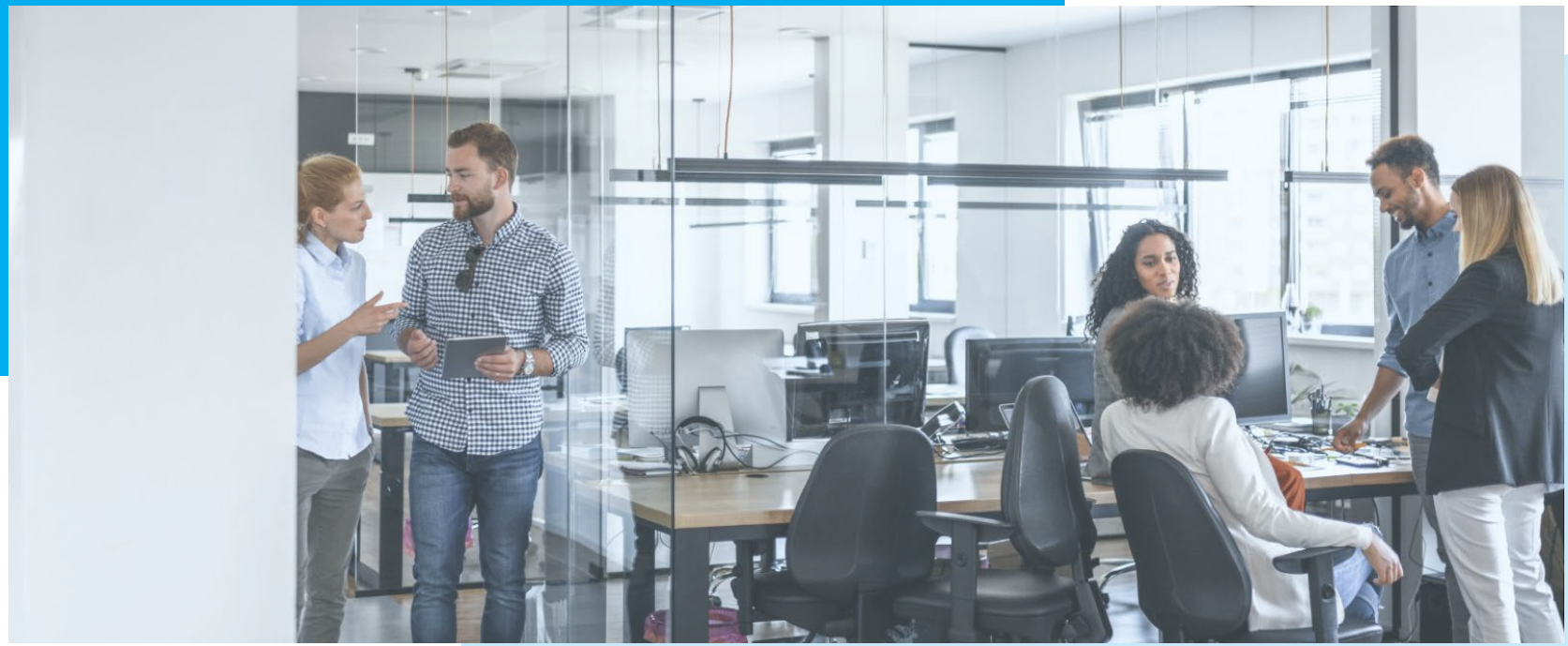
CONCLUSION

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With the pace of change facing businesses across the globe unlikely to slow down any time soon, leaders who can effectively navigate change are no longer a "nice to have." They're a "must have." Leaders who can navigate uncertainty are very often the difference between companies that sink—and companies that swim—when the waves of change hit.

While there's no road map for navigating the unchartered territory facing businesses today, you can follow the best practices outlined in this e-book to help your leaders guide their teams through change and into the future.

Next Steps: You can take it one step further by providing your leaders with a comprehensive, in-depth training that enables them to become change champions. Building on the foundation of the *Situational Leadership® Essentials* course, the *Situational Change Leadership™* course equips leaders with the critical skills and strategies needed to not only lead through change but thrive in it, strengthening their organization's agility and resiliency. **Reach out to our team to learn more!**



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ABOUT US

THE CENTER FOR LEADERSHIP STUDIES®

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THE CENTER FOR LEADERSHIP STUDIES

For more than 50 years, The Center for Leadership Studies (CLS) has been at the forefront of leadership training and organizational development. CLS is the global home of the original Situational Leadership® Model—the most successful and widely adopted leadership training model available. Using this research-based model as the foundation, our influence-focused courses enable leaders to engage in effective performance conversations that build trust, increase productivity and drive behavior change.

Learn more at situational.com.

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