

# HRD

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# HOT LIST

**The who's who of HR 2016**



**THE DEVIL IS IN  
THE DETAIL**

Disciplinary action  
and procedural fairness

**INSIDE HR**

Tabcorp on values  
and the 'social licence  
to do business'

**IS BESPOKE  
BEST?**

Leadership development  
in focus

## CHANGE MANAGEMENT

# HOW TO MANAGE YOUR EXEC TEAM THROUGH CHANGE

Supporting executives through change initiatives can make any transition easier. **Christopher Paterson** looks at how HR can do this effectively

**IN 1996** John Kotter from Harvard Business School famously stated that 70% of change programs fail. Twelve years later, in 2008, McKinsey surveyed 3,199 executives and showed that nothing had changed, with the fail rate holding at an obstinate 70%. More recently, in 2013, Willis Towers Watson reported that despite the sophisticated change management advice available, only 25% of transformation projects were successful.

The reasons identified for such dominant fail rates ranged from failing to 'prepare managers as effective change leaders' and 'management behaviour not supporting change' to 'neglecting the remaining staff' and managers 'completing the change process too early'. Regardless of the study, the causality is centred around the people side of change.

To the career coaches at ALCHEMY, this link between organisational success and the human factor is not a surprise, yet we are consistently surprised by the lack of resources deployed to manage the people side of change, despite the evidence clearly showing that businesses are healthier when we get this right.

HR professionals are ideally placed to facilitate success by leading the people side of change.

## Engagement formula

A range of success variables are highlighted in change management research; however, there is agreement that strong cultures keep good people (retention) and that those people are effective (productivity). Furthermore, staff engagement is consistently correlated with both higher retention rates and productivity.

**As long as people are treated with professionalism, respect and dignity, it's very difficult to make fundamental mistakes**

This simple formula can be used to manage the people side of change and to measure the effectiveness of HR's initiatives:

**STAFF ENGAGEMENT → WANTED RETENTION & PRODUCTIVITY**

Staff engagement has also been correlated with higher discretionary effort, more profit, higher customer loyalty, greater creativity and innovation, so we can be confident in the central role this plays in facilitating a strong business and a healthy balance sheet.

## Managing the executive

At ALCHEMY we work with a spectrum of HR professionals, from those who play a pivotal

and demonstrable role in guiding the executive and the organisation through change, to their colleagues who find themselves in a passenger role with limited influence. Interestingly, this variance is not always defined by age and experience, and some experienced HR practitioners still play a support role rather than a leadership role while their less

experienced counterparts demonstrate the ability to advise and influence.

We also observe first-hand the impact that strong HR leadership has on staff and managers internally as well as on the brand perception in the external market (ie customers, suppliers and the media).

I have highlighted below four elements that differentiate effective HR leaders when managing their executives through change.

## 1 Know your role

Effective HR leaders understand that when it comes to the people side of change, they are the authority. They own the people

side of change in an uncompromising way and take responsibility for the decisions that sit within this remit. This often involves defining this remit with the executive up front so decision-making authority is clear and unambiguous.

As a guide, anything that influences the change formula (engagement, retention or productivity) is in the remit of the HR leader.

Further, effective HR leaders also advise on all issues relating to people, and call out poor decisions or those lacking emotional intelligence. While people factors can be grey and subjective, there are three values that are consistent. As long as people are treated with professionalism, respect and dignity, it's very difficult to make fundamental mistakes.

Strong HR leaders also play the role of adviser, not counsellor. They empathise and actively listen while providing specialist coaching or counselling support where required. This ensures that roles are kept clear and that every member of the executive team has the support they need.

## 2 There is not always a happy outcome

As HR professionals we are wired to facilitate positive outcomes. Whether it's recruiting the best people, developing high-potentials or solving workplace issues, we want to effect a positive outcome.

However, effective change leaders understand that most change is inherently difficult, particularly a restructure, merger or downsize. No matter how well this is managed, it still going to be challenging for all and a negative experience for some.

Acknowledging this up front allows the HR leader and the executive to recalibrate their expectations and deploy their resources to facilitate the smoothest and most effective change possible.

The change formula can be used to set realistic objectives. While engagement, wanted retention and productivity are likely to be impacted, the change plan focuses on what the business can sustain and what

needs to be done in a practical way to manage and measure these variables.

## 3 Building your team

Managing the people side of change is a complex enterprise, and there are a unique set of circumstances each time. You cannot be expected to be an expert in all aspects of human behaviour; however, it takes a confident professional to ask for help.

Effective HR leaders have a team of advisers that they call on in their network. Some are engaged formally, most informally. The HR leader provides in-depth knowledge of the personalities, the culture and the history of what has worked and what has failed. They are then the conduit of expertise to the executive team.

Typical members of this adviser panel include an employment lawyer, an executive coach, a business psychologist, a communications expert, a career transition partner and, increasingly, a wellness adviser.

By pooling the combined wisdom and experience of this group you are best placed to advise your executive team with rigour and confidence. You also acquire valuable knowledge in the process, which builds on your own HR and change management assets.

## 4 The neurology of wellness

All change adds a level of stress to the human brain and body. However, advances in our understanding of brain function at work and its impact on wellness has added a powerful and practical weapon to the HR arsenal.

We know that for successful change to be achieved, the executive team need to operate at their best; however, they are also the group most at risk. Using the available empirical research as our guide, we know that executive teams who make good decisions regarding their wellness have lower stress levels, greater mental alertness, more energy, higher self-esteem, better memory, greater focus and concentration, and higher overall levels of happiness, and they manage

## HR CHECKLIST

Managing your executive team through change? Try these six tips:



Define your role and decision-making remit.



Treat people with professionalism, dignity and respect.



Be an adviser, not a counsellor.



Set realistic expectations for outcomes such as engagement, retention and productivity.



Build your own team of advisers.



Have an executive wellness plan to ensure that you and the team are at your best.

high workloads more effectively.

The business case is clear. If we are going to support our executive team through change, we need to make sure that their cognitive, emotional and behavioural wellness is supported. As a starting point, you can use the 6 cylinders of wellness® ([alchemycm.com.au/wellness](http://alchemycm.com.au/wellness)) as a resource for you and your team.

A recent global study showed that organisations who focus on staff wellness experience 2.6 times more productivity, 79 times higher engagement, and four times higher retention.

So change will always be difficult; however, by learning from what effective HR leaders do, we can manage our executive teams with confidence and achieve stronger people as well as commercial outcomes. **HRD**

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