



CHANGE MANAGEMENT: IN THE MIDDLE OF A RECESSION?

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Many of the HR professionals I speak with on a regular basis, tell me that their organizations can't possibly afford to do any serious, formal change management programs now. Not with the recession, not with reduced budgets and staff, not with everyone preoccupied with maintaining some measure of company success, not to mention just keeping their jobs. Who would be foolish enough to propose new programs at this particular time, in the midst of the deepest financial crisis in modern history, particularly at a time when often the best policy is to keep a low profile and concentrate on what you're already doing and executing very, very well.

My response is two-fold: how can you not afford to do it now and, by the way, you are doing it now, it's only a question of how well you are doing it. Of course, there are a relatively few organizations that have full-time change management professionals or even functions that are still operating. Most of those, of course, have had their resources cut or redirected, so they have the same problems, specifically, reduced capabilities at a time when they are most needed.

To set the stage, let's first remember what we mean by change management. Change management means simply planning, acting and tracking any significant change effort. This certainly includes reorganization, downsizing, new management, new markets, merger and acquisitions, and so on. Is there any organization still in existence that isn't experiencing one or more of these activities?

So how can any organization afford not to do change management now? There is so much change going on that if it is not managed properly, the consequences will be severe if not fatal. Not managing change today may mean that the organization is not around tomorrow. It certainly means reduced effectiveness, productivity, and morale. It also means that when the economy does improve, more people will leave to find organizations that are better managed, that communicate better, that treat their employees with respect, and that have a clearly defined plan for surviving and even thriving through difficult times.

My second point is that all organizations manage change; it's really just a question of how well. Poorly run organizations typically manage change by reacting to events as they occur, by

centralizing all decisions at the top, by doling out only the minimal information that employees “need to know to do their jobs,” by not having or disclosing the metrics by which progress and success are measured, by not having a clear and disclosed plan for how the change will be implemented, and by not identifying all affected stakeholders and their roles. When you think about it this way, it’s no wonder employees in those organizations have lower productivity, lower confidence in their leaders, lower morale and ultimately, lower retention than those organizations that manage change well.

So the question becomes how to afford to do effective, affirmative management of change in tough economic times. In fact, effective change management doesn’t really take that much resource. Most of what is needed in most organizations is available internally, even if it has to be redirected from other tasks. What it really takes is the recognition and commitment of senior HR and company management that resources do need to be committed to managing the effects and the progress of change. There needs to be a shared understanding and agreement that change management needs to be done professionally and effectively, and that the cost of not doing so, especially in tough economic times, can end up being more than the cost of doing it right in the first place. 🌍

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