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MORTGAGE PROFESSIONAL AUSTR

MPAMAGAZINE.COM.AU
ISSUE 16.11

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DRIVING CHANGE IN YOUR BUSINESS

Taking an established business in a new direction can be a daunting prospect. Here, change and leadership expert **Michelle Gibbings** presents a step-by-step approach to making change happen

THERE'S A famous saying "May you live in interesting times". There's debate as to the saying's origin, but there's certainly no doubt that it applies today. Change is everywhere – impacting on both large and small organisations. For leaders this means they are leading in an environment that is often:

- **Ambiguous** – The environment in which they are working is uncertain and shifting, which can leave people questioning their roles and what they need to do.

- **Boundaryless** – Things are changing and the normal boundaries of roles, organisations and work are altering.

- **Complex** – Problems are not predictable, nor are the solutions.

- **Disruptive** – People and organisations are constantly searching for the next 'big' thing and the quest to be innovative is neverending.

To survive and flourish in this environment, organisations need to master four key steps:

1. Build and implement a sustainable approach.
2. Know the landscape.
3. Develop leadership followship.
4. Maintain momentum.

1 Build and implement a sustainable approach

A 2013 Towers Watson study reinforced what other studies have shown – that the majority of change efforts fail in organisations. This is due to a number of factors, including a lack of leadership, the difficulty of sustaining momentum, and ineffective or absent mechanisms to support the change.

Many change efforts are started before the necessary planning and analysis takes place. For example, there's often no assessment of the organisation's capacity to absorb the change, or understanding of the capability of impacted stakeholders to adopt the change. Instead, there are multiple change programs occurring at the same time, often impacting on the same group of people.

This creates confusion, particularly when the implementation efforts are disconnected from each other. All the end user sees is a barrage of changes coming down the pipeline, but little information as to how the changes connect back to the organisation's strategic agenda, and what it means for them holistically.

The organisation needs to ensure its change approach is thoughtfully considered and executed.

There are five elements to this:

- **Ensure strategic alignment** – This involves understanding what's driving the change. Is it external (such as new regulation or new entrants) or internal factors (such as a new CEO or productivity challenges)? Also be clear on where the organisation wants to get to, and how this change connects and supports the organisation's vision and strategic agenda.

- **Consider the options** – Develop and review the options available, and their potential risks and impacts. The options selected should have a clear benefits case. That way the organisation can measure if the intended benefits of the change have been delivered.
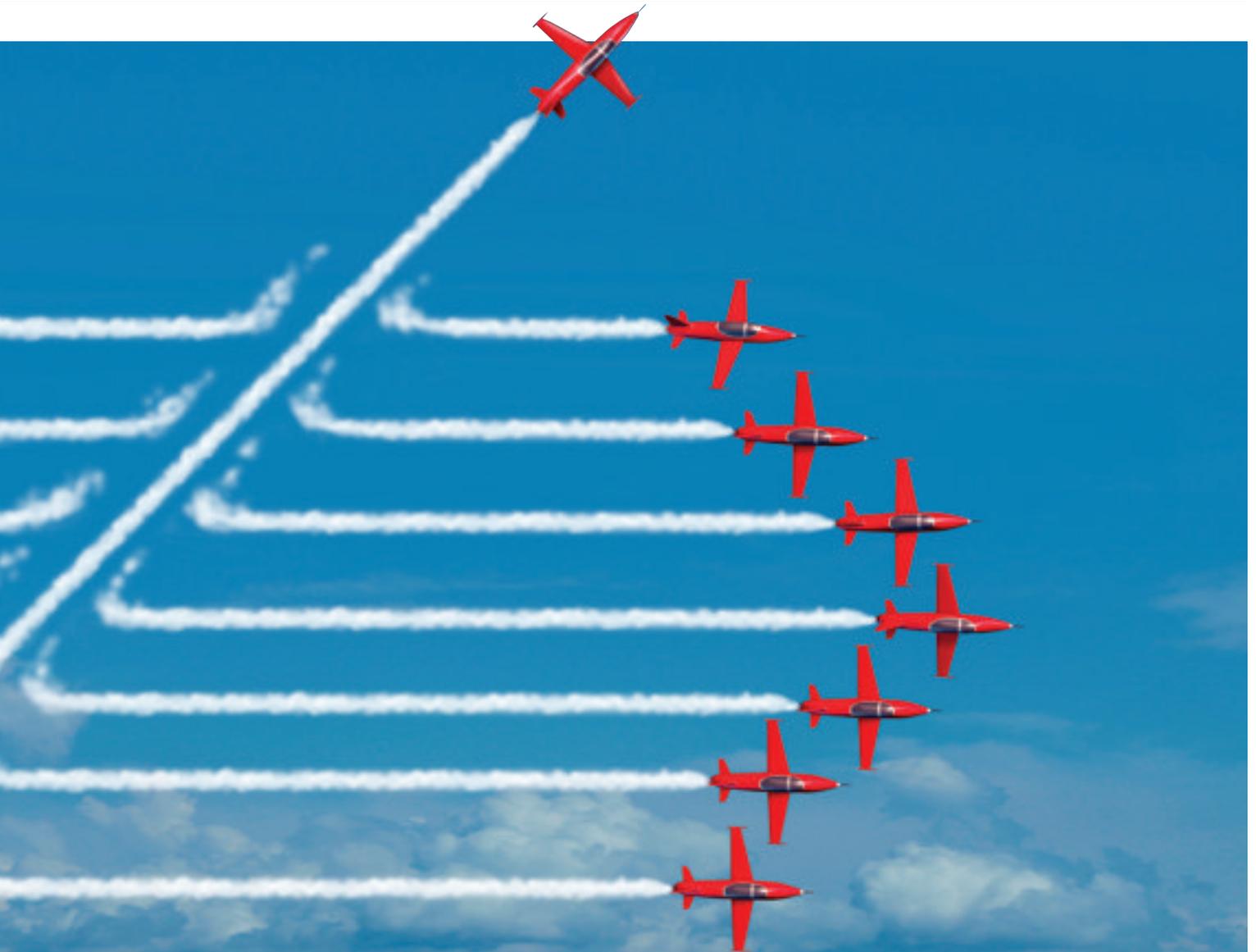
- **Develop the plan** – Undertake the necessary planning to map out the steps to be taken to make the change happen. This is not about creating an inflexible plan, but it is about having a strong sense of direction, and clarity on the way ahead and what is needed for success.

- **Check the infrastructure** – Identify and ensure that the necessary infrastructure to implement the plan is available and in place. This involves architecting the way in which the change program is sequenced, monitored, governed and executed to account for the organisation's capacity, capability and objectives.

- **Balance the people equation** – This is one of the most important elements, and it is more than just communication and training. Helping people to cope and thrive through change is most effective when it operates at a mindset, values and behaviour level. This includes providing people with the personal and technical skills and tools to help them best operate in changing environments.

2 Know the landscape

Once the approach to the change has been outlined, it's a good idea to do a stocktake and determine if the organisation is ready, willing and able to change. This assessment helps the organisation understand if there are gaps or areas that need to be addressed to help improve the likelihood of a successful and sustainable change.

- **Ready** – The organisation knows where it wants to get to and has a plan for execution, with a logically and thoughtfully sequenced change road map. There are always unknowns with change, and it can be impossible to plan for everything. Organisations can, however, ensure they are ready to be flexible and adaptive through the change. This way it can take advantage of opportunities, and respond swiftly to issues as they arise.

DRIVING CHANGE

TAKING ACTION IN YOUR BROKERAGE

Go through Gibbings' Change Checklist to ensure your ambitions are realistic

Identify who in your brokerage will support or resist change (especially if working in a partnership)

Define some goals that your changes will involve and ultimately achieve

- **Willing** – The organisation has effective leadership and the roles and responsibilities of those involved in the change are clear. For example, there may be a sponsor who is accountable for the change, and a project team helping to deliver the change. They need to know what roles they need to play. So, too, do the leaders across the organisation. Their accountability in leading the change can't be delegated to someone else.

- **Able** – The organisation has the capacity and capability to execute the change and is able to invest the resources to ensure that impacted stakeholders are well prepared for the change. The organisation needs to devote both financial and people resources to ensuring that those impacted on by the change are not only able to cope with it but know what is expected of them and have the behavioural and technical skills to thrive through it.

If the answers are in the negative, the organisation needs to do further work on designing and refining its change approach.

3 Develop leadership followship

Warren Buffett said: "A leader is someone who can get things done through other people".

Leaders don't lead if there is no one following them. Leaders who can inspire and support those around them are essential in times of change, and this requires the organisation's leaders to be able to build engaged and healthy teams – teams which in turn create a groundswell of support and movement towards the change.

In times of change it is not just the team and individuals who need to change. To consciously lead change, leaders need to be prepared to change themselves – their mindsets, operating styles and leadership behaviour. This is more than just pinpointing new technical skills. It's about delving into the meaning that drives the leader's behaviour, and the mental models they are applying to the decisions they make.

One way to do this is for the leader to identify their 'leadership moments of truth'.

These are the actions that they take – often subconsciously – which define how their leadership style is viewed by colleagues, peers and team members. They include, for example:

- what they pay attention to
- what they prioritise
- how they react to issues and when things go wrong
- what they say, and what they do and don't do
- how they allocate resources and rewards, and recruit and promote

Red flags arise when a leader's behaviour is inconsistent or if they are playing favourites with team members. Team members quickly notice when a leader says one thing and then does another. If leaders want followship they need to create an environment in which people feel valued and that their opinions matter.

How leaders engage with, support, involve and communicate with their teams will determine if a change is landed safely or not. It's therefore critical to ensure that leaders, at all hierarchical levels, are equipped and motivated to lead their teams through change.

This is critical as the change needs to be driven by the leaders, and they need to have the confidence and accountability to take this on.

4 Maintain momentum

Harvard professor Rosabeth Moss Kanter talks about the trap of failing in the middle. In relation to getting change to happen, she says: "Everyone loves inspiring beginnings and happy endings; it is just the middles that involve hard work".

This is natural. As a change starts, challenges will inevitably be encountered. Obstacles and roadblocks that weren't expected will arise, making progress slower and more difficult than planned. What looked easy in the beginning seems much harder in the middle.

As reality hits home, leaders can become anxious and uncertain as they see momentum waning and milestones slipping. The team starts to question their ability to deliver, and teamwork starts to suffer as people look for

> ## This is not about creating an inflexible plan, but it is about having a strong sense of direction, and clarity on the way ahead and what is needed for success

someone to blame for the lack of progress. It is at this point that deliverables start to be de-scoped and activities reprioritised, and the project team is often restructured.

This is the time that change leadership really needs to come to the fore. Leaders have two options: they can lose their nerve, or they can confront the challenges head-on. If they chose the latter, they need to:

- Be clear on the project's goals and what every person in the team needs to do to get there. Don't get sidetracked by interesting but irrelevant matters.

- Ensure these goals are able to be delivered in a meaningful and relevant timeframe so that the team can show regular progress.

- Highlight the progress being made and ensure it is visible to every team member. Celebrate this progress in a way that is meaningful to each team member, and share this success with your stakeholders.

- Know where the leader's and team's efforts will produce the most effective results. This is the old 80/20 rule. Focus on where you know you will get results.

- Work to eliminate the friction in the system that makes the change harder than it needs to be. This may involve removing bureaucratic processes and unnecessary activities.

- Make it safe to fail so that the team is encouraged to try new things and new ways of working, otherwise the team will be discouraged from trying to find better and faster ways of achieving good results.

- Be open with the team about what is working and what isn't working. Seek their input on how the team can work better to produce more effective results

While it is hard battling through the 'middle', bravery and tenacity pay off.

5 The change checklist

Compelling case
- Is the appetite for change enough to sustain the organisation through the transition from current to new state?

- Is the change linked to the organisation's strategy and mission so its purpose and rationale are clear to stakeholders and team members?

Clear vision
- Is there a compelling vision of the future? How was this vision created and shared across the organisation? Is it understood and do team members buy into it?

Leadership alignment
- How much time are the executive team and other leaders devoting to the change? Do they see leading the change as a core part of their role?

Benefits realisation
- Is there an agreed benefits realisation framework and approach that helps ensure the realisation of the expected benefits from the change?

Program governance and monitoring
- Is there an agreed way of monitoring and reporting on progress with the change?

Process for change
- Is there an agreed methodology or process for designing and implementing the change?

- Is the change appropriately resourced with the right mix of skills, expertise and decision-making authority?

Sequencing and integration
- Has the organisation's capacity to absorb the change been assessed? If necessary, have adjustments been made to implementation timings to ensure the best outcome?

Maintaining momentum
- In what ways will momentum be sustained through the change, particularly during periods of difficulty (ie the 'hard middles')?

Culture and communication
- Is the organisation's culture considered a critical aspect that can affect the success of the change? What culture changes are needed to support the change?

- Will the communication be frequent enough, targeted and two-way, enabling team members to provide feedback and contribute through the change process?

- What level of experience do the leaders have in coaching and guiding their teams through change?

Empowering team members
- Do team members have the competencies, skills and tools to be able to change?

- If not, what will be done to support and upskill them? How will they be involved in the change? **MPA**

Michelle Gibbings is a change and leadership expert and founder of Change Meridian. Michelle works with leaders and teams to help them accelerate progress. She is the author of *Step Up: How to Build Your Influence at Work*. For more information: www.michellegibbings.com or contact michelle@michellegibbings.com.