

People First

Early this year I visited a small European manufacturing plant, owned by a company that was about to transfer all of its production in Europe to South East Asia. The entrance to the factory was a remarkable sight: the workers had built a fake graveyard around the main gate...

Funeral rites

This was a good example of a problem that happens in many large change projects: the employees and their concerns may *not be taken seriously enough*. In this case, the workers decided to make it impossible for management to ignore them. They made little crosses and “in memoriam” notices, one for each job to be lost with the site closure (and there were hundreds of these). They chose a little strip of land that the company did not own and they lovingly turned it into a place of mourning. It was quite a sight. I stood there for a while and took photos because I was so astonished by it. I believe the local newspapers and television stations did the same...

There is nothing especially unusual about this company or this display of resistance and anger by workers. One of my own colleagues was briefly taken hostage by angry workers early in his career, while another has faced down threats of violence and intimidation in similar circumstances. Both came to the conclusion that change only works if the people *most affected* are also the people *most involved*.

People are the key to change

I began this series of articles by saying that change is exciting for change consultants but a lot less fun for everyone else. The ugly truth about change is that *most people hate it*. Most people want to keep their jobs; they want to know what is likely to happen next month, next year and the year after that; and they want to know that they can plan for the future of themselves and their families safely. Their natural position is to *resist change* as a potential threat to them. For many people, like the workers who built the pretend graveyard, change *is* a threat.

And yet, as we all very clearly understand, change is necessary, and especially in times like these. Neither is it all about downsizing: people in huge numbers will also be affected by outsourcing (being transferred from their parent company to a specialist outsource provider); by the need to restructure (developing new skills); and by the need to be more proactive (being more responsible for *outcomes*, rather than for *inputs*).

Mobilisation for change

In all these cases we think there are some key principles that every company needs to follow, and our convictions are based on deep experience gained over decades in all of these types of people-related change. Some of our insights may seem obvious, but it is a constant surprise to us all how many “obvious” lessons have to be relearned, time and time again.

Start early- There is a tendency for change teams to make elaborate plans for new organisational structures, financing, processes and technology over quite a long period before they start a dialogue with the people most concerned. *This is a mistake*. It is always best to consult early, defuse concerns and then work together to reach the right outcomes for everyone. Every major change programme goes through similar stages where people are concerned, beginning with anxiety, passing through anger, sometimes going as far as despair and only then getting to the point of equilibrium, where everyone is working together to find good solutions.

Take responsibility- The unpleasant truth about redeployment, outsourcing and redundancy is that *you have responsibility* until the last worker has successfully moved onto a viable alternative source of employment. Now, I don't think we should be religious about this: no company, however well-intentioned, will find exactly the right solution for every single person, but they need to try and be seen to try. That means taking responsibility for the future of their workers, partnering with suitable specialist support and making this a real priority. This also underlines the importance of time: you may need to facilitate retaining and educational programmes in order to reach a happy outcome. Is this really necessary? It depends on whether you want to preserve your brand and maintain goodwill in the market but, assuming that you do, then you have to face up to your responsibilities.

Involve communities- Nothing happens in isolation because all large employers have an important role within all the communities in which they operate. They are also acted upon by a huge range of stakeholders, some of which have interests that will certainly conflict with any large business in a process of change, and some of which you may be able to mobilise as allies. Stakeholders include political groupings as well as unions, social services, competitors, potential alternative employers and many others. In the next few years there will be massive redundancies in public sector bodies and all such changes will have huge political implications. Anyone even contemplating a process of change that has implications for employment had better get to know ALL the players with an interest in their decisions and plan how to deal with them.

Be imaginative- In my experience, a lot of business leaders tend to be narrow-minded when it comes to wider issues related to people, communities, politics and are taken by surprise when matters do not go as they would wish. The average enterprise is not a democracy, and senior executives are used to saying what they want and having their wishes turned into action. Once you engage with the external bodies, the rules change. You need to negotiate the right outcomes and be prepared to show flexibility and imagination in order to reach your own goals while staying onside with the other stakeholders.

SSC thinks...

Change always starts with people, their interests, concerns, fears and views. Getting theoretical structures right is often the easy part: getting the people solutions right is always going to be more difficult. Many large enterprises are now trying to offload the problem by outsourcing to specialists, asking them either to employ staff directly or to produce the framework for controlled redundancy. This is often a perfectly sensible idea and one that offers real benefits to many people. Why? Because they educate, retrain, motivate and look after the people they take from clients as part of outsource contracts, and they do this all the time, so most of them are pretty good at it. BUT, the responsibility still rests with the original employer until the process is complete.

SSC does...

Our partners have been involved in designing and carrying out change projects in different parts of the world for decades, now. The insights we have about people management have been learned through often very tough experience. We know what works and what does not, and we have no doubt that the starting point for all successful change programmes is a clear understanding of the people involved and an honest determination to deliver a good outcome for them, as well as for the shareholders and management of the company concerned.

I would go one step further: we think that the best outcomes for shareholders depend on keeping the people most affected by change as happy as possible. It should never be one or the other: it has to be a win-win if you want the right long-term solution.

If you would like to make a comment or ask for further information, please contact simon.harries@sweetspotcorp.com