Change Management Risk Assessment - The Context of Risk Vs Readiness

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Change management risk assessment is complex and multi-dimensional and thus transcends what is traditionally understood by the concept of "risk assessment". Risk assessment of a change management initiative is based on the premise that "organisational risk" is the inverse of "change readiness".

In other words, the more ready the organisation is to change, the lower the risk of failure of the change initiative. So if we can establish some useful means for defining and calibrating change readiness then we can take steps to mitigate the likely causes of failure.

An appropriately selected change readiness assessment tool not only informs an initial change management risk assessment, but it also forms a baseline and be can re-administered to measure progress in change readiness - and thus reduction in change management risk - over time.

For a project management based change initiative, these assessments will help to reduce project risk.

The results of these assessments will shape key areas of the change management strategy and plan - specifically the communication strategy.

However, many companies - particularly in North America - do not stop and evaluate lessons leaned from past change initiatives before launching the next one. In recent interviews a key piece of advice that John Kotter offers is for organisational leaders to take the time to get themselves informed about what does and doesn't work - before launching into action with a change initiative. As he says: "If you get that knowledge upfront, it can save you great grief and money later on."

But before getting into the mechanics of tools that can be used to undertake a change readiness assessment we need to be understand the context of change management risk assessment and appreciate the significance of a number of inter-related factors:

(1) The marginal rate of change is increasing - and continues to do so

We used to believe that change occurs in cycles and waves that ebb and flow. This may be accurate over long time spans of hundreds of years, but in the present the rate of change is continually increasing and this has a significant impact on any change management risk assessment.

Based on his latest researches, John Kotter says: "Many organisations just can't keep up with the speed of change."

This is profoundly important because it is closely linked to another major and frequently overlooked factor...

(2) The emergence of the flat world and horizontal management

I was tempted to headline this point the "death of command and control" - but that is not strictly true as there will always be situations where there is a need for firm direction and senior management edicts for compliance with the legal requirements related to the management and governance of organisations, and also in crisis situations.

However, in the "horizontal world" we now live in, information is available to all and the current and emergent technology infrastructure coupled with the proliferation of social media channels and tools allows for almost immediate dissemination and comment of gossip, opinion and factual information.

The days when decisions affecting many were taken by a few and then imposed on the many are dying - if for no other reason than people want and expect to be involved and they resist change that is imposed upon them. This is self-evident in the failure of 70% of significant change initiatives.

One of the keys to change management risk assessment lies in understanding the extent to which the change leadership are engaging directly with the "informal organisation" - sometimes referred to as the "shadow organisation" - from the outset - from the planning stage right through to implementation and beyond.

(3) Recognition of the importance of the emotional dimension of leadership

Many thought leaders in the world of change management and change leadership are now speaking vociferously about the importance of the emotional dimension of leadership and the need to address the human dimension of change.

These people include Daniel Goleman with his focus on primal leadership; John Kotter emphasises the need to motivate people by speaking to their feelings; Jon Katzenbach highlights the value of personalising the workplace; Andy Pearson emphasises how people will respond to their leaders efforts to connect with their emotional side; and of course William Bridges' says that "A change can work only if the people affected by it can get through the transition it causes successfully."

(4) The importance of the informal networks

Jon Katzenbach and Zia Khan, Authors of "Leading outside the Lines" make the important point that organisational leaders struggle to recognise the importance of the informal networks within their organisation, and the need to engage with them and mobilize them as a key method of accelerating the efforts of the formal (management) elements of the organisation.

Neil Farmer - a leading UK change expert and the leader of 5 major and successful UK corporate change initiatives - points out that whilst the formal organisation determines all routine aspects of what takes place, and in so doing provides the necessary "glue" of stability and repeatability, the shadow or informal organisation largely determines the scope and pace of change and is thus a major factor in change management risk assessment. He says that where the informal and formal organisations come into conflict, the informal nearly always are the most powerful.

(5) The answers are (almost) always at the frontline

With the exception of technical, financial and legal issues, the answers to issues relating to successful change planning, change impacts, change implementations and most importantly benefit realisation are to be found at the frontline.

In my own work I have found time and time again that the answers to the most challenging business issues, project and programme failures and performance problems always - without exception lies with the front line staff - those directly involved in "doing it".

Also, the creative solutions to issues identified via change management risk assessment are to be found there as well.

All it takes, in my experience is the time, courtesy and empathic listening to the people at the "coal face" to find out what the issues and impacts are and also to discover what the solutions are.

(6) Stuck in Jurassic Park

The first and biggest step to making all this happen is one that can only be taken by the CEO and senior management of the organisation, and that is to relinquish (or at least relax) "command and control" sufficiently to empower the change leaders to identify and work in collaboration with the informal networks.

In my direct and observed experience, this still seldom happens. The dinosaurs still stalk the corridors of corporate power. The DNA of the leaders and senior management of most organisations (especially large ones) seems to be hard-coded to resist this - thus resistance to truly effective change management risk assessment starts at the top.

All too often, this resistance to change in management style reflects the myopia that results from a general business culture fixated on short-term results.

All too often, the only conditions that encourage directors to relax command and control are either the appointment of a new CEO and/or senior management team, or the threat of a fairly major exposure i.e. an issue that is severe enough to create a personal accountability and potentially one that could be politically exploited to the personal detriment of the individual executive.

However, as Kotter's observed rate of change gathers momentum these people will be exposed to ever increasing exposures and will either adapt or follow the fate of their Jurassic predecessors...

So the common thread running through all of these factors is the people dimension and the paramount need for change leaders to base their change readiness assessments around a detailed, direct and early engagement with the informal aspects of their organisation.