

The New Reality: Questions & Answers

What is the New Business Reality in today's workplace?

Today's workplace is different. The workforce is different. The work itself is different. The pace is faster than it has ever been . . . and getting faster by the hour. Consumers have more choices than any time in history. Competition can and does come from every corner and every direction. This means the only thing that is constant . . . is change. How well a company, and the individuals in it, deal with, adapt to and seize change will determine their success or failure.

Is this something new or have businesses been experiencing this for the last 10-15 years?

Change has been around since before the dawn of man. Companies have been dealing with change from the day of their inception. What's different today is the pace and complexity of change. Fifteen years ago the pace of change was exponentially faster than it was in the 60's, 70's and even the 1980's. Today it is exponentially faster than it was only 10 or 15 years ago. Add to that the complexity of change today and it fundamentally changes how companies can and must operate.

How must an organizations culture change to adapt to this New Business Reality?

This is an important and differentiating point as it relates to the New Reality approach to change. The common misperception is that organizations must "Change" their culture to adapt today. That creates a torrent of resistance, betrayal and ill will. It also implies that there is a start and stop. A new and an old. What the New Reality teaches is that organizations must create more "Change Adaptive Cultures." Keep what's made you successful – mission, vision, values – and add the elements of speed, agility, adaptiveness and an unrelenting focus on the customer. Don't "Change the Culture," create a more "Change Adaptive Culture."

Karl, as an architect of the new business reality, what kind of companies do you work with and why do they seek you out?

I have had the opportunity over the last 20 years to work with thousands of organizations in one hundred or more industries on five continents. The common denominator is change. Change is universal. Large organizations, small organizations, public, private, for profit, not for profit, in the United States, Europe or Asia . . . everyone is experiencing constant, complex, tumultuous change. As a result, more and more organizations are looking for a more strategic approach addressing the Culture of the organization rather than just another “change management” program.

I believe the reason they come to me is because I don’t deliver “Change Management” theory. I deliver practical, applicable strategies as tools for seizing change and making it part of your competitive advantage.

How do businesses compete in this constantly changing business environment?

I believe the only sustainable competitive advantage today and in the future is the engagement level of one’s employees. Every other competitive advantage is disappearing given the technology, information and global competition that drive constant change. Organizations that equip and align their employees to contribute intellect, creativity, and innovation are more agile, adaptive, and customer focused. These are the only companies that will survive and thrive in the New Business Reality.

We know that people are usually resistant to change. Are companies resistant too?

The answer to the question is yes. However it’s important to understand that companies are the people they employ. They are not two different things. I define “Organizational Culture” as the sum of the behaviors that people choose to demonstrate. So, if the organization allows, encourages or rewards change resistant behaviors, then the companies themselves will be slow, less responsive to the marketplace and resistant to change.

How does a change architect like you make change happen?

I don't make change happen. I help make it possible for the individuals in the organization to make change happen. The New Reality helps leaders and individuals reset and recalibrate expectations which creates the opportunity to change perceptions which ultimately leads to significant and positive behavior change. Remember, the culture of an organization consists of the sum of the behaviors demonstrated. The New Reality helps alter the balance of those behaviors in the direction of Change Adaptive and customer focused. With more Change Adaptive, customer focused individuals, the organization responds faster and more effectively to the marketplace.

How can a company lead the industry in today's constantly changing business environment?

I believe the only one way to lead an industry in today's constantly changing business environment is to have a laser like focus on the customer, and the agility and ability to change when they demand that you change. Size, reputation or proud heritage no longer guarantees a leadership position. Speed, agility, and change adaptability do. We also need to understand that "leading the industry" is fleeting. In the old reality leadership was hard fought and long lasting. In the New Reality leadership today could be last place tomorrow.

Who helps drive change in an organization? Does it come from the top and trickle down or do managers need to start in the middle and work up and down the organization?

The short answer is yes. Ideally, it actually takes three groups working together. Leaders need to see the need to be Change Adaptive and set the strategy as it aligns with a dynamic marketplace. Managers need to change the way they manage in order to increase the level of engagement of their folks. Employees need to be individually accountable to move themselves through the change process and help create better outcomes for the customer. Is it possible to drive change in an organization without one or even two of these constituencies doing their part? Yes, it's happening in organizations every day. The real success comes when you have all three working in concert to drive the organization towards the customer.

You say that it's important to empower your managers to identify change resistant behaviors that get in the way of productivity. Does this mean that it's the manager's job to single out employees and fire them for being resistant to change? Or is there a way to get everyone on board?

Let's start with the second part of the question first. Is there way to get everyone on board? No. You will never get everyone on board. You will never get everyone bought in or going along. Equally important to understand is that you will never make everyone happy. Stop trying.

As to firing change resistant employees the answer is also no. Resistance to change is a behavior . . . it's not a person. Behaviors are now a prominent part of how we measure performance. If someone chooses to be resistant to positive change for the customer then their performance will suffer. That's when, via the performance management process, we need to fire the behaviors. Lastly, if you give employees a choice between demonstrating Change Adaptive behaviors or change resistant behaviors, ultimately, if they choose the latter . . . they fire themselves.

How do we empower managers in this New Business Reality?

First and foremost managers like employees must empower themselves. They can't wait to be empowered. That being said, managers today need to be leaders and coaches more than directive managers. They need to have the skills, knowledge and tools to help employees increase their participation, contribution and engagement. In the old reality you were promoted because you did the job better than anyone else. In the New Reality it takes an entirely different set of skills and competencies. We need to be empowering our managers by equipping them with these New Reality skills and competencies.

Do you work with companies that say they are doing better than ever? How can the New Reality help successful companies make their businesses better?

I work with companies across the spectrum of success. It's important to note that success . . . or doing well . . . is a snapshot in time. Doing well today does not guarantee that one will do well tomorrow. In fact, sometimes it's the arrogance or complacency of success that dooms an organizations short or long term prospects. Creating a Change Adaptive Culture positions an organization to be successful indefinitely as long as they quickly adapt to what their customers and marketplaces demand. The New Reality teaches behaviors that transcend current results and positions employees and organizations to be successful whatever tomorrow may bring.

In which industry or industries do you see the most change and why?

As I have said, change is constant, complex, tumultuous and impacting every organization in every industry. The top three industries I see being most impacted right now are probably healthcare, manufacturing and education . . . if you call education an industry (I do). Healthcare is being radically transformed by government, competition, rising costs, increasing demands, the aging population, science, technology, information and on and on. Manufacturing is being changed by technology and the availability of labor in India, China and multitudes of countries willing to do more for less. Education is an anachronism that produces minimal results (educated people) for massive expenditures. Education will have to be completely overhauled in order to contribute skilled thinkers to the New Reality.

If there were 3 things that you wanted a person to come away from reading your book or watching your videos, what would they be?

Well . . . I start every New Reality workshop and the book for that matter with three guarantees about change: They are: Change is Here to Stay, It Won't be Trouble Free, and You are Accountable. So if there were only three things people could take away, I'd hope it would be those three.

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