Ahead of the Curve

Leadership competencies required to sustain change

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Businesses large and small are being forced to transform themselves to meet the demands of a sluggish economy, dwindling customer bases and rapidly changing technology. While some dig their heels in and refuse to acknowledge the need to change their business models, marketing or staffing approaches, smart business owners know that it is far better to be proactive. Getting ahead of the curve assumes that you can face your fear of the unknown and begin thinking about strategies for strategically positioning your company for success. This article identifies the three leadership competencies required to create sustainable change in an enterprise of almost any size.

Underlying Assumptions

Before presenting the competencies, it is important to address the underlying assumptions. These guiding tenets provide even the smallest enterprise with necessary direction. They articulate purpose and enable the organization to stay focused.

The first assumption is that your organization is already driven by a compelling mission or vision.

The second is that you are already operating with a clear strategy that is both understood and articulated throughout the organization. Strategic intent is vital to success. While many business owners lament the failing economy as the reason for their difficulties, there are, in fact, other factors that contribute to difficulty and demise. Lack of strategy is a very big contributor to the failure of many enterprises. Owners without the anchor that strategy provides are susceptible to fads and trends that waste money, time and energy. They chase the latest and greatest technology tool, hoping that it will catapult them to success. In fact, a compelling strategy that is well-executed and regularly evaluated will ensure the ability to withstand the inevitable storms business owners face.

The third and final underlying assumption is that you have already built strong communication channels in your organization — not just top-down communication, but real dialogue that allows you to hear from employees at all levels. This communication also includes gathering insights and information from stakeholders outside of the organization, like customers and vendors. Part of your communication model should include formal and informal methods for hearing from a wide range of people who impact your business.

Creating sustainable change requires that leaders be comfortable with conflict. Disagreements are inherent in any effort



to alter the status quo. They are certainly to be expected when launching large-scale change that impacts an entire organization or even just one department. Leaders who are able to transform organizations are keenly aware of the fact that people have different interests, positions and agendas that have to be honored and incorporated, so long as they fit with the guiding mission and vision. Contentious conversations will occur. Instead of squelching the conflict, allow it to emerge and use it to learn about people and their positions.

Required Competencies

In order to successfully bridge the gap between what exists today for your company and the vast possibilities for its future, you must hone your ability to lead, inspire and collaborate. The three competencies presented below are important in helping you build these important abilities. They must be developed in leaders throughout the organization.

(1) Comfort with Risk — Moving an organization into the realm of progress and possibilities requires a willingness to forgo that which may seem safe in favor of more risky behavior. These are not capricious risks; rather, they are calculated gambles that can move an organization ahead of the competition.

A calculated risk may include dropping long-held lines of business to free the resources required to pursue a unique innovation that has the potential to transform your business. Another calculated risk may include making significant investments in sales training, even when sales are less than robust. Conventional wisdom would suggest that you wait until you are flush again to invest in the people who generate revenue.

Gambling on people has the potential to pay off with larger orders, new customers and expansion into new territories.

Whatever the risk you are considering, weigh the potential outcomes — not just in the short term, but also in the long term. Does this risk have the possibility of rewarding you and the company in spades?

When you become comfortable with risk, you are better able to lead people to more innovative behavior. They begin to

see that the status quo will not do and they may be more willing to be inventive. Your comfort with risk can spawn a shift to a culture that values imagination, creativity and curiosity.

(2) Learning Orientation — Change that lasts is supported by systematic, comprehensive learning for all levels of management and staff. Savvy leaders know that they cannot possibly have all the answers required to create sustainable corporate success in today's business environment. They are able to shelve their egos and invite learning. They understand that an investment in ongoing training, education and development is also an investment in finding solutions that will stick.

This learning orientation extends to formal and informal knowledge gathering and sharing. Certainly, there is the role of formal training that introduces new concepts, teaches new skills and builds subject-matter expertise throughout the enterprise. But skilled change-leaders know that there is also a need for informal learning. This happens when best practices are freely shared among peers, regardless of their positions on the organizational ladder. It happens when people are encouraged to mentor new employees in their areas of expertise. Informal learning also happens when information about different departments' processes are freely shared throughout the organization.

(3) Process Focus — Transformations that last happen not because of the big bang of a brilliant idea; instead, they happen because a brilliant idea was welcomed into the organization and then given enough structure to survive and flourish. These transformations also stand the test of time because they seldom, if ever, rely on just one brilliant idea. They rely on the convergence and coupling of several ideas that make sense for the enterprise.

The process that works for your business will be different from the process that works for the business next door. Wise leaders know that while there is a need for process to shape the change initiative, the process must be customized to meet the unique needs of the organization. The three elements that are essential in all change processes are as follows:

- Alignment with the mission, vision and core values of the organization.
 - Collaborative practices that engage multiple stakeholders

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■ Evaluation checkpoints that measure progress and allow room for recalibration.

The rest of your process will be customized according to what you intend to accomplish. If you are seeking change that leads to growth, your process will be different from an organization that is seeking change that leads to widespread innovation. Read about various approaches to change and decide how to meld the best

from different methodologies.

Making the Commitment

Many change efforts fizzle after periods of unsuccessful implementation. Avoid that frustrating experience by first examining your roles and responsibilities as a leader seeking transformation. Whether you want to overhaul your entire business model, or just bring select departments into the modern age, it represents change and can be undertaken successfully. You can enjoy this success by innovating in meaningful ways with sensible practices and processes. This means a clear focus on the mission, as well as the intended outcomes.

It also means that you are able to demonstrate discernment. Every idea is not worthy of the effort of implementation. Other efforts at implementation may wind up being mistakes. A discerning leader understands that a good run beats a bad stand, acknowledges the mistake and ceases the activity.

Leaders who are able to sustain change understand the fact that change is a process, not an event. They understand the difficulty and complexity of changing human behavior in ways that do not allow for reversion. These leaders also know that collaboration is key, so they involve multiple stakeholders in the entire change process. Once these stakeholders are fully invested and own the change, the chances of reverting to old ways are greatly reduced.

Finally, these leaders make learning a priority for themselves and others involved in creating the new organization. Whether formal or informal, they integrate many methods of education, training and development in their process and plans.

Transformations cannot happen without solid leadership at all levels in the enterprise. Insightful leaders can inspire commitment and have the capacity to build lasting engagement. It is this commitment and engagement that will enable the change to be enduring.

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