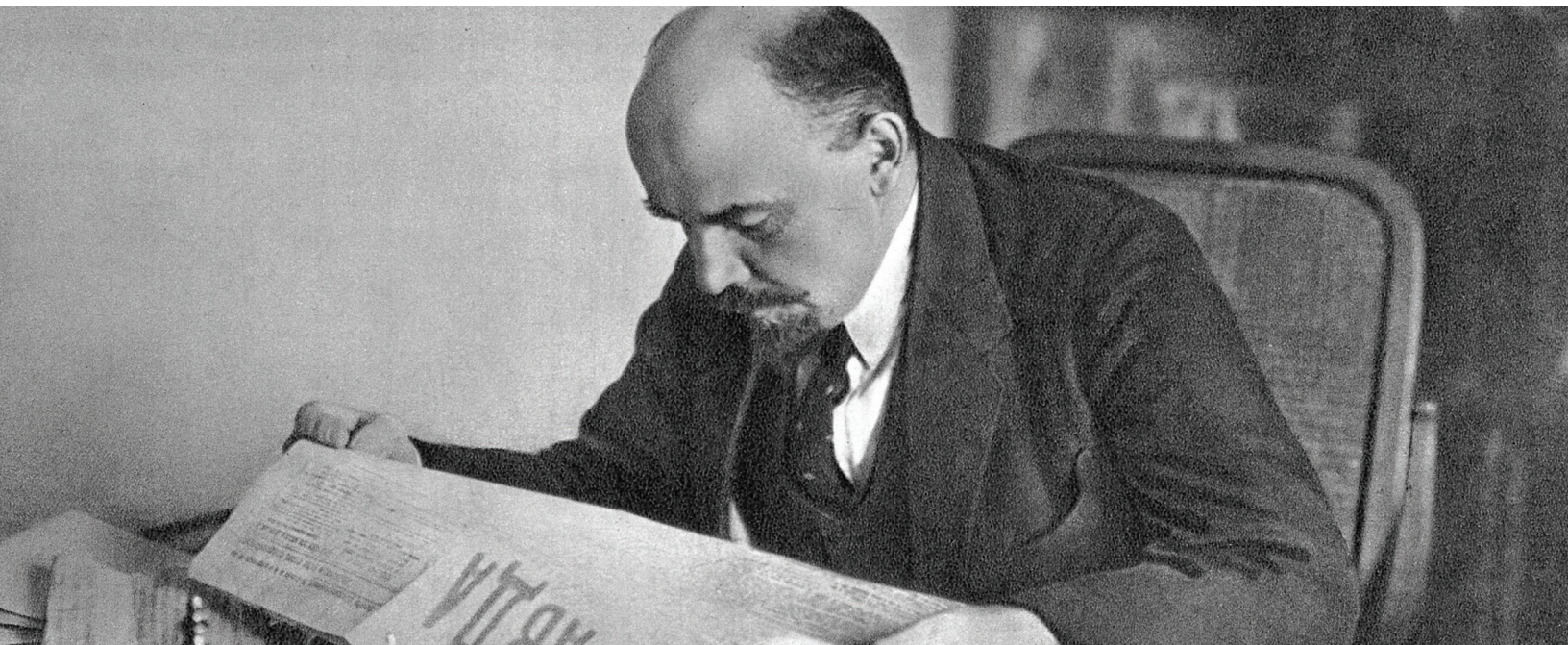# ORGANIZATIONAL TRANSFORMATION

In today's rapidly accelerated global marketplace, companies have no choice but to adhere to the challenges. The world is shifting fast. Senior executives and management teams are aggressively seeking to transform their company in order to survive, compete and achieve. Processes are being reengineered and costs are being reorganized. Unfortunately, most leadership groups lack a proven system to approach the challenge. A management team will most likely agree on what a good business plan looks like, but when an organization is faced with a large-scale transformation, opinions vary greatly. Teams struggle to agree on both direction and outcomes and it becomes challenging to find a common ground for moving forward. When faced with organizational transformation, the ability to collaborate, integrate systems and coordinate with all levels of the company is critical for survival and long-term success

ALL ORGANIZATIONS MUST ASSESS AND REACT TO THEIR SURROUNDINGS OR RISK BECOMING OBSOLETE.

Respected management author John Kotter proclaims that, based on evidence, most transformation efforts fail.[1] Organizations often experience a brief period of improved performance, only to return to the status quo. This creates uncertainty about future transformation efforts.

Organizational transformation is more than simply changing the way a company conducts business. It is about changing the organizational culture to adapt to the new challenges.

An organization must implement strategies that will sustain their competitive advantage. However, to maximize transformation efforts, they must learn how to align leadership and all employees with the new ways of conducting business to sustain the transformation. Organizational transformation is a permanent commitment to improve quality, customer service, development and participation in all levels of the company.

Senior management plays a critical role in an organization's transformation efforts. Leaders model the way and set the direction and provide the vision of the company. Leaders motivate employees to overcome the obstacles between what occurs today and what needs to occur in the transformation for the future. Leadership teams must inspire all levels of the organization to "want to" work toward the new outcomes and create a new future for the organization. Wanting to change and actually implementing change are two different things. Transformational change happens at the core of the organization and has the potential to radically change the organization from the inside out. In order for transformation to become reality, the details are of the upmost priority. It's about resources, timelines and budgets. It's about creating a vision for the future that has sustainable outcomes. Transformation efforts bring energy to the organization in the way of improvement and revitalization. Creating an effective vision is the first step towards organizational transformation.

1 KOTTER (1995), P. 59.

WHAT DOES A VISION LOOK LIKE?

A vision is an organization's response to the consistently changing environment. It must be compelling, shared by all members in the organization, and inspire action. Senior management is critical in creating a vision with these attributes. The leader's vision and resulting strategy help the organization chart paths to new territories and challenges the organization to pursue opportunities that redefine the future. A leader inspires commitment to the vision and energizes individuals to action. If everyone is energized, but doesn't know what to do, transformation will not occur. In addition, if everyone is energized but follows their own vision, transformation is impossible. This is where a strategic plan is key. Once a vision is created and communicated, it's necessary to evaluate how the current reality is relative to the vision.

A strategic plan addresses how to close the gap between the desired vision and the current reality. As Lewis Carroll said,

"If you do not know where you are going, all roads will take you there."

Transformation requires a road map to chart direction and track progress. Without a road map, an organization could end up anywhere or nowhere at all. Without a strategic plan, a company is put at risk in today's competitive environment—anyone can become your competition at any time. The strategic plan includes analysis of an organizations strengths and weaknesses. Executives must look for opportunities for results, as well as threats to the current system.

Translating the strategic plan into action is where most organizations fall short. Employees are inspired to reach the future, but are unsure of where to start. The management of change should not be more complicated than the actual change being implemented. People need to know how the change fits with other priorities in the company, and also the urgency of the specific change. Employees must be involved in the transformation process, but management must provide unified leadership. It's the responsibility of senior management to prioritize efforts during the transformation process. If employees are left to choose for themselves, they will undoubtedly fall back into the old patterns. Assigning priority helps individuals prioritize new initiatives by first understanding the reason for needing to transform. Organizational transformation must create a process where those performing the work are directly involved in improving the work. Skills must be enhanced to support the improvements, and management must create a healthy company climate that supports individuals' ability to achieve established standards.

Senior management has the task of articulating a compelling vision for what is possible in the future. Employees must be emotionally committed to spend the necessary effort for successful transformation. Employees who see a direct relationship between what they do and the value they bring to the organization have a greater understanding for the need to change. The implementation process requires that everyone understands the exact way in which his or her contribution is critical to achieving the overall vision. Leadership's role in the process is to focus the organization's attention on the next challenge and the right initiatives to solidify the established vision.