

CREATING A CULTURE OF CHANGE

Zappos has been in the news recently because of its decision to give bonuses to employees who elect to leave the online retailer. Their rationale? They only want people who are fully on board with their new employee-driven approach to management. Everyone else is free to go –in fact, they encourage it.

Regardless of what you think of employee-driven management, creating a culture of change can yield huge dividends.

One of our clients, a financial services company, promised their employees stock options if they embraced a new results-based compensation scheme. Almost everyone opted in. Those who didn't soon recognized that they were not a part of the culture and left the company.

Here are five techniques to help create a culture of change:

1. **Give people a sound rationale for change.** Help employees understand why a change in their behavior will fuel better overall results.
2. **Focus on a specific area of change.** For example, if you want to create an impressive reputation for customer service, give people what they want, regardless of how unreasonable. That was Nordstrom's secret.
3. **Create forums for honest discussions with employees.** Let them ask you tough questions and make suggestions without fear of reprisals. GE built an impressive culture of change on this principle.
4. **Give employees the opportunity to express their hesitations and fears** and be prepared to explain exactly how change drives positive developments within the company.
5. **Keep communicating your vision of how your company benefits society.** When you do so, people are willing to put aside their petty grievances in order to achieve something important. Tesla is focused on environmentally responsible transportation. Apple is focused on people-centered computing. Remember: Vision is the fuel that drives change.

At LRI we start with a thorough assessment and analysis that enables our clients to make sound decisions about how to prioritize and implement the change process. We then facilitate change in [strategic planning](#): giving voice to vision, shaping priorities, and defining performance measures; [leadership coaching](#): increasing leadership skills through individual and team coaching and training; [governance](#): facilitating the adoption of best governance practices and developing boards of directors; [performance management](#): enabling people to utilize information to improve performance; and [process improvement](#): facilitating the improvement of key business processes.