Nonprofit Risk Management Center

A Step-by-Step Guide to Change Management

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Many organizational change efforts will fail—up to 70 percent of them, depending on which experts you ask.

What makes the difference? What factors make a change take hold, and what can make a change fall flat?

I've led my share of organizational change efforts that succeeded, as well as changes that flopped. One thing I learned from those experiences: Successful change doesn't just happen. It requires discussion and planning before the decision to change; at every step along the way; and even afterward, when lessons from the change surface.

In this article, you'll find actions your nonprofit can take at each step of a change to help increase the likelihood that it will succeed. (Of course, it's OK to fail sometimes, too, and we'll cover how to learn from those experiences!)

Scan Your Environment for Change

To discern how your nonprofit needs to change, you must learn to perceive your organization and the environment you occupy in new ways. For most of us, that will involve making some small changes to the way we work.

One way to start: Incorporate "balcony time" into your weekly work routine. Many nonprofit leaders spend a lot of time out on the dance floor of their organizations, doing day-to-day tasks. Balcony time, by contrast, is reserved for the big picture. Put some balcony time on your work calendar once a week. A half-hour is ideal, but even 10 minutes will make a difference. Some questions to ponder during that time:

- What do I wonder about? What questions about my organization's mission and future pique my curiosity?
- What are my dreams? If our work succeeded beyond our wildest imaginings, what would that look like?
- What are we not doing that we could do to explore these questions about our future and deepen our work for the mission?
- What am I missing? What possibilities—threats or opportunities—lie on our horizon that I didn't get to explore this week because I was so busy?
- What are our community, team, and partners telling us that we don't yet know how to respond to?

Take notes during your balcony time. As you continue this practice, you'll see patterns emerge. They'll tell you where you need to invest time to explore further.

Of course, you can't gain new perspectives on the world around you solely by looking within. You also need to reserve time to connect with your team and your community.

To help your team scan the horizon for changes, set aside time at a group meeting at least once a month to ask these questions:

- What external issues are we not spending time on that we should be?
- What internal issues are we not spending time on that we should be?
- What issues are we ignoring or dancing around because talking about them might be painful or require difficult changes?
- What's keeping us from spending time on those things?

Make sure to tell your team why you're doing this—you want to identify patterns and ensure your nonprofit evolves with the world around you. Tell team members how you will follow up on their comments and suggestions. If you don't know yet, you could say you plan to spend a certain amount of time gathering suggestions and then begin choosing ideas to work on.

To understand your environment, make a regular practice of gauging the changing needs of vendors, partners, and the community. Incorporate these questions into your meetings. Add extra time to the meeting if you need to.

- How is what you need from our organization changing?
- What are your biggest challenges right now?

Identify the biggest themes that emerge from these conversations and your balcony time. Match them with your nonprofit's mission and values to determine which issues are the most immediate priority and where a change effort could strengthen your organization's ability to serve constituents. You'll likely find a strong candidate for change, an issue where it looks like you could make a difference. You may want to dive in right away, but doing organizational change well takes time.

Make Time for Change

To really pursue change on the big issues your team identifies, or even smaller organizational changes that will help you do your work better, you must stop doing something.

Many nonprofit executive directors, and even some team members, want to take on more and more change constantly, without ever giving anything up. You may have one of those bosses or work on one of those teams. That doesn't change the laws of the universe. You cannot produce more time. Time is every nonprofit's most precious asset; it's the only asset that cannot be regenerated. You can only make time for one thing by doing less of another.

Getting buy-in for that idea alone might be the biggest change you make all year. It can be very hard to stop doing something an organization already does. Here are some sneaky ways to free up time to pursue change. Use whatever time you can reclaim to begin investigating the first change on your priority list.

- *Get rid of some meetings*. Meetings are an entrenched practice at many nonprofits, but they are also a practice many people hate. Some for-profit companies have made headlines by eliminating all meetings and only adding back those that add value. You don't have to go that far, but you could. Try replacing one team meeting with updates in your Slack or other communications channel. A caveat: Never cut one-on-one meetings. These are your best regular opportunity to build connections with team members, and you'll need those connections to succeed at change. If you're not sure which meeting to cut, ask the team to respond to a one-question poll: which regularly scheduled meeting is least valuable?
- *Say no more often*. You and your team get a lot of requests, and you may have a habit of saying yes by default. Try this: Next time you get a request, take a moment to pause before saying yes. Ask yourself if the request aligns with your priorities and those of your team. If not, say 'Thank you so much for asking, but I'm not able to do that." Repeat as needed.
- *Accept when good enough is good enough*. Your team's work should be high-quality, but everything doesn't have to be perfect. Identify someplace where you don't have to give 100 percent. Help your

employees identify someplace where they don't have to give 100 percent—just get it done with as much attention as they can.
- *Delay*. Ask your boss if you can push X project down the road to work on Y, and explain how Y could benefit your mission. If you find that not doing X doesn't have a negative impact, you could make a great argument in three months that the project may not be needed at all.

So, you've identified some key areas to make change. You've freed up some time to address those areas. Now, the real work begins.

Take Change Step by Step

Organizational changes, even small ones, can really shake people up. To better understand why change is so challenging, check out our accompanying article in this issue, "What Your Nonprofit Needs to Know about Change."

From the moment you begin to consider a change, plan for how you could take it all the way through to completion. Here's a practical guide to help you do that.

Share the reasons for change. Leaders love to talk about their vision for change, but sometimes they forget to communicate why change needs to happen. Make sure to touch on key points with your team.

- Who made this decision? Why?
- Why does this change need to happen now? How will things be better if you make the change than if you don't?
- How will the change improve your nonprofit and help you better deliver on your mission?
- How does it relate to what drives employees personally?

Involve employees in change. If people feel like they are part of the process, your change will be more likely to succeed. Here are some key points where you should loop team members in.

- Whenever possible, invite team members' thoughts on changes you're considering. Identify supporters who could help you build consensus around the change.
- Consider a "pre-mortem"—a meeting where you explore the reasons why your change might soar or come crashing down. This process can help team members work through fears and anxieties about change, envision new possibilities, and grow closer.
- Once you've made the decision to change, assign people specific tasks in the change process. Team members can assist with making sure your nonprofit's policies, procedures, and performance reviews reflect the change.
- Seek feedback after a change rolls out. Share what you need employees to do differently because of the change. Ask what they need from you to make it happen.
- Empower employees to adapt individually.

Make space for sadness. Don't diminish or dismiss what the organization will lose or set aside. Change management efforts that don't acknowledge loss will wither.

- Give employees space to voice worries and fears.
- Make them part of creating the solution.
- Never brush off questions or worries.

Make space for joy. The process of change can bring your team closer, if you take time to honor their good work.

- Reward employees who do things to help smooth the way for change.
- Set achievable goals early in the change process to create short-term wins.
- Celebrate your wins as a team.

Consider equity in change. If you don't take a close look at who your change will affect most, you run the risk of discrimination.

- Consider racial equity impact assessments. Race Forward, which works on movement building for racial justice, recommends these assessments to identify which employees a proposed change might affect and how.

- Once you’ve done that analysis, correct any inequities you find. For example, if your team needs to lay off staff, could you do it by performance metrics, instead of laying off your most recent hires? In many organizations, the most recent hires might also be the most diverse segment of employees.

Provide signposts for change. It’s always important to communicate clear expectations to team members, but this is especially essential when your organization is going through change.

- Help your team members reprioritize their workloads amid change.
- Reiterate your long-term goals for the change.

Give managers capacity to deal with change. When professionals must manage change initiatives on top of all their regular duties, something won’t go well or will be missed altogether.

- Work with managers to remove some day-to-day tasks from their plates so they can work one-on-one on change with their teams.
- Provide change management and leadership training (consider the resources at the end of this article). You could each watch a webinar or read a book on change management, then schedule a series of sessions to discuss how to apply the lessons learned and evaluate their impact. Or you could set aside time to do the change management exercises in this report as a team.

Don’t forget the postmortem. Earlier in this article we referenced the idea of a premortem before a change happens. Once you’ve put a change in place and it’s part of your systems, come together again with your team and discuss lessons learned. Making this a regular practice will help your team strengthen its change muscles. Ask these key questions:

- What did you learn?
- What worked well?
- What can you improve for future changes?

Navigating Barriers and Challenges

Of course, even if you take all the right steps, unexpected challenges could surface. Here are some of the most common barriers to organizational change, with strategies for how to counteract them.

Not committing to change. One common misstep in change management happens when an organization rolls out a change but doesn’t fully commit to it. If your organization or team has decided to change something, do the work to make sure you can see the change through. Making the decision to change might have been a struggle. It might have drained your team emotionally. You may be tempted to just make the change and be done with it. But to increase the odds that change will succeed, you need a full plan for implementation and a feedback process to identify potential snags along the way so you can try to mitigate them.

On the flip side, another common misstep in change management is **not admitting when a change isn’t working**. If you’ve given a change time to sink in, taken steps to try to work through the bumps, and it just hasn’t worked out, admit it and move on. We’re often tempted to stay with a negative change in hopes that things will get better, especially if we’re the ones who put the change in place, but that can exhaust and demoralize our teams. You could have a small ceremony or even a party to say goodbye to a change that didn’t work out and acknowledge that you tried your best.

Another major barrier to change is **change fatigue**, which we touched on earlier. It’s natural to get overwhelmed by large amounts of change. With all the change we face right now, that’s more likely than ever. You can help ward off change fatigue by relentlessly prioritizing the rollout of changes so you don’t bombard your team members with too much change at once. And you also need to help your team members relentlessly prioritize what they must get done right away in a changing environment, and what can wait.

Whether we know it or not, our **organizational cultures** can also impede change. Department silos, rigid processes, and a lack of psychological safety can all make the process of change harder. And if employees don’t feel safe sharing their opinions at work, any change effort is doomed to fail. Some ways to address cultural barriers:

- *Break down silos*. Let employees know how to share ideas within and across departments.

- *Cultivate opportunities*. Try to find a way to say yes to employee requests for flexibility before you say no.
- *Foster trust*. Leaders must demonstrate that they trust their employees and their peers. They also must foster trust from their employees and peers. This will take time, patience, and consistency. Leaders should spell out that they allow and even welcome honest mistakes, and there won't be consequences. Then they must demonstrate that, over and over.
- *Treat disagreement as a gift*. The more perspectives a team can gather, including reasons why a change might miss the mark, the more valuable insight they will have. Welcome and invite disagreement on your team. Cognitive biases often lead us to tune out the very person who seeks to warn us of an important danger. Listen!
- *Make talking about mistakes comfortable*. Sometimes we all fail, including at change. Set the expectation that some experiments will fail, that failure is part of growth, and that it won't involve punishment. Too much focus on failure can make people feel ashamed, which can lead to poor decision-making.
- *Don't give up*. It takes time, effort, and consistency to cultivate psychological safety. You and your team will likely slip into old patterns over and over. When you see that happen, name it, and give yourselves and your team members grace. Remind yourself and each other why you're doing this work, what progress you've made, and how the journey will benefit your team and the people and communities your nonprofit serves.

One more common barrier to effective change is a **lack of training**. If your team members will need new skills to make a change succeed, make sure you find out what training the team wants or needs before diving into the change. You can't expect your team members to learn everything they need to make a change happen on their own.

Change Is a State of Mind

If you regularly practice the steps outlined here, from refining the glimmer of an idea for change to the postmortem, you may find that you and your team begin to view change differently. With practice, change will become a constant presence. While individual changes may bring upheaval, you'll revert to a steady state more quickly. With the right tools, frequent change will feel more like a feature of the environment, not a bug in the system. That mindset will help your nonprofit grow and thrive in a world where everything around us is rapidly evolving.

We can't promise that every change your nonprofit attempts will stick. But if you follow these steps, you'll increase the likelihood that your change will succeed—and that you'll learn lasting lessons along the way.

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RECOMMENDED RESOURCES:

Navigating the Waves of Change: Supporting Employees' Mental Health webinar – BHS

Pace of Change Worn You Out? You're Not Alone – NRMC