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FIRM MANAGEMENT

The Human Element of Change

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Arianna Campbell • Dec. 15, 2016



**FEAR OF
MISSING OUT**

Process improvement requires a change of routines and habits that have been formed over time. While it is important to appeal to logic, feelings and emotions ultimately influence the decision to comply or resist. However, we often overlook or discount this “touchy-feely” aspect of change. Resistance can be significantly decreased by addressing obstacles caused by the human element of change.

Fear of Missing Out

Fear of Missing Out (FOMO) causes resistance to change. People are less likely to comply when they feel left out of the process. A Team-Oriented Problem Solving (TOPS) team can help increase buy-in by promoting transparency and inclusion to help alleviate fears and negative feelings. The TOPS team works together to determine the key opportunities for change and communicate those opportunities to the firm. The ideal TOPS team includes one representative from each level of the firm (IT, Admin, Staff, Senior, Manager and Partner). As ambassadors for their level, this small group works through the process and provides insight and perspective from others in the firm. This helps to give everyone in the firm a voice while also gaining a broad perspective on the issues and opportunities. FOMO is minimized as people feel involved in the process and are aware of the progress.

What's In It for Me?

When it comes to change, most people are tuned into WIIFM (“What’s in it For Me?”), but seldom express this concern verbally. They want to know how the suggested changes will benefit them directly. Results of process inefficiency (such as decreased profitability, lost capacity and longer cycle times) make a case for change at the organizational level, but to truly address WIIFM it is imperative to make a personal connection. This can be done by acknowledging how process inefficiencies directly impact the people doing the work:

- Non-utilized talent results in decreased opportunities for development
- Poor use of technology limits opportunities for flexible work arrangements
- Numerous and repeated review comments weaken confidence
- Long work hours result in time away from family, friends and other interests
- Decreased profitability affects bonuses and earning potential
- Increased stress and frustration negatively impact health and well-being
- Unclear expectations and lack of accountability lower firm morale and retention

Shifting the focus from the work required to the personal impact realized increases the sense of urgency. The risk of not changing outweighs the resistance and

hesitation. It also deepens understanding and commitment at all levels of the firm by creating an emotional investment in change.

Status Quo Mentality

Defensiveness is a natural reaction as people are challenged to move beyond their comfort zone. Personal investment and emotional attachment can become obstacles that create tension and impede progress. People prefer the familiarity of the current process over the unknowns of the new process. People cannot be forced to change, but education and training can help to address concerns and increase buy-in. Education should involve detailing the new process, highlighting the key changes and explaining how the proposed solutions will improve the process.

This will help give an understanding of the benefits that can be gained from changing. After establishing understanding, training is critical to success. Learning new skills and knowledge works to displace old habits and preferences. Confidence increases as people realize that there is a better way. Sustaining change happens as people become comfortable with their ability to complete the new process.

Follow the Leader

People watch leadership's reaction to change and follow their example. This starts with body language while communicating changes. Negative facial expressions, defensive posture, avoiding eye contact and other negative non-verbal reactions are easily observed and imply a lack of buy-in. When comments are made, the tone of voice and choice of words can encourage or discourage change efforts. Most importantly, when it is time to follow the new process, firm leaders have to be willing to give up personal preferences for the FIRM preference. Change becomes contagious when people see that the commitment starts at the top.

Pursuit of Perfection

Even the most successful process improvement initiatives do not go perfectly. There will be challenges, and people may be tempted to resume old habits or prematurely label the changes as a failure. However, it is important to remember that the goal is progress through continuous improvement – not perfection. There will always be opportunities to make tweaks that will make the process better. Make continuous improvement an expectation by:

- Providing continued education and training
- Making the process visible so outliers stand out

- Providing timely responses to feedback and concerns
 - Defining and communicating success metrics and results
 - Continuing to challenge individuals to further improve the process
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As a consultant and Lean Six Sigma Black Belt for Boomer Consulting, Inc., Arianna Campbell helps accounting firms challenge the status quo by leading process improvement initiatives that result in increased profitability and client satisfaction. She also facilitates the development and cultivation of future firm leaders in The P3 Leadership Academy.

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