

# CHANGE MANAGEMENT

A Presentation by Ian Creery - January 30, 2012

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## The environment we're in

The pace of change is picking up, and it won't slow down anytime soon. In the global economy we are increasingly interconnected with others, and so we are more influenced by what is happening elsewhere than we ever used to be. We cannot predict what changes are going to happen in other environments, or how they will affect us. We don't see them coming until it's too late to plan effectively for them. In this complex environment, we cannot control change, we can only adapt.

This means that our old ways of planning for, designing and implementing change in a logical, linear fashion don't really work anymore. We have to change the way we think about change. The goal of change processes in the past has usually been to create stability in the organization. We hoped that we could achieve stability, rest for a while, and then embark on another set of controlled changes. That doesn't work anymore. Stability is elusive. There is no single right answer to our problems – there are only a series of answers, some better, some worse. So the goal of change these days is more to “muddle through” until the next set of changes is upon us.

A change process used to have a clear beginning, a middle and an end. These days, we are coping with many changes that are beyond our control and seem to have no end to them. As planning for change doesn't work anymore, we are actually getting a lot better at adapting gradually and reactively.

### Need to think & talk differently...

#### Away from

- Stability
- Linear
- THE right answer
- Cut-and-dried solution
- Command and control
- Change management

#### Towards

- Constant evolution
- Nonlinear
- The best answer for right now
- Emerging solutions
- Engagement and involvement
- Increasing adaptive capacity

## How does change work?

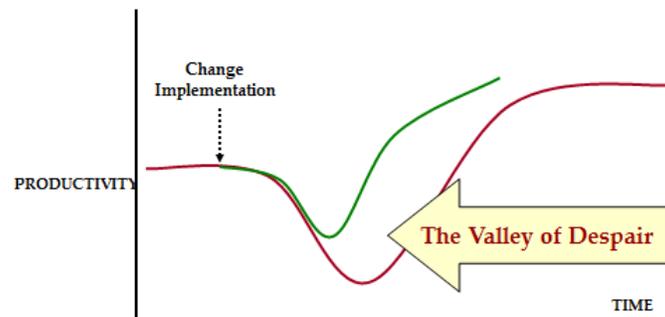
When we talk about “managing change”, we are actually talking about two very different things.

1. We are firstly talking about the planning, design and development of change plans, implementation and eventual reaching of the change goal. These are all rational, logical, linear things that we can use change models to manage effectively.
2. Secondly, we are talking about managing the people involved in the change process – helping them to cope with the changes, deal with their emotions, get over their fear of

change, and eventually accept the change. This is the really tough part of change, because generally people going through a change tend to go through some negative emotions and lose productivity as they cope with the situation.

It can be hard for managers to balance the need to help people deal with their emotions in an environment of lower productivity, and the need to keep the organization performing at a high level.

### Why do we need to “manage change”?



## Roles in a change process

We talk of two distinct roles: that of change leadership, and of change management.

### *Change leadership*

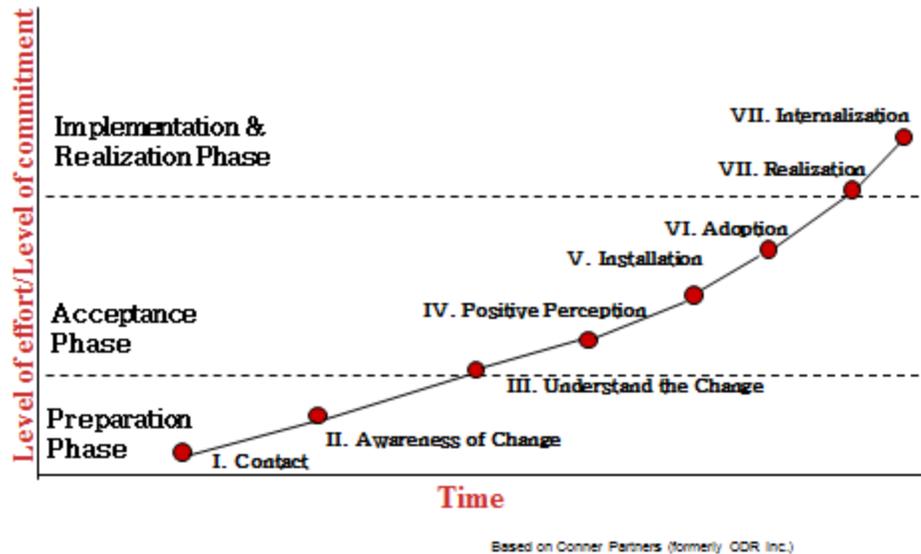
Change leadership is about understanding the need for change, creating a compelling vision for the future, helping everyone in the organization understand why the change is necessary and useful, pulling together the resources to make the change happen, setting up the teams and committees who will lead the process, managing the politics of it, etc.

### *Change management*

Change management is all about helping the people in the change process deal with their emotions, learn to let go of the past, to manage through the confusion and uncertainty as the organization adapts to the changes, and to find some resiliency to help them bounce back and to become fully engaged in the new organization once the change has been successfully carried out.

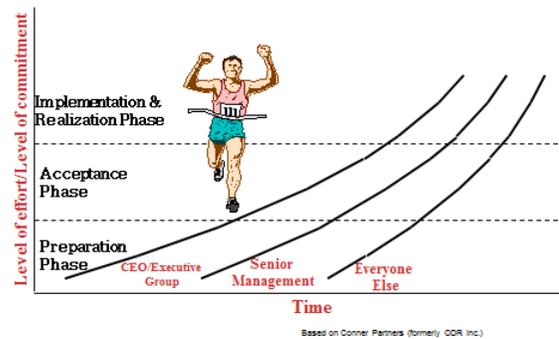
# Commitment to change

## The Commitment Curve



Many change processes don't deliver on what they promise. They seem to run out of gas halfway through the process and just fade away, without ever achieving the benefits that the organization had hoped for. The main reason for this is that effective change is like a marathon race – it takes a lot of sustained focus, energy, persistence and time to get to the finish line.

## The Marathon effect



Often the change leaders consider that their job is to help their employees become aware of the need for change, understand what changes are being proposed, feel positive about the change, and install the required changes. They neglect to help them adopt the changes – that is, to make actual behaviour changes so that the change is not just something that exists on paper. They don't help them to practice the new behaviours until they are comfortable with them and they have realized the change, and have internalized the changes so that they behave in new ways without thinking about it anymore.

Also, because change leaders are the ones in control of the change process, they are the first to see the need for change, to create a vision for the future; they design the change and implement it first, and because there are usually few leaders, it can seem really simple to them. They don't

understand that their middle managers have started into the changes later than them, and have much more work to persuade employees that the change is worthwhile. And employees take the longest to fully understand what is being asked of them, and to actually change their behaviour as required.

This means that the leaders often declare victory in a change process when the middle managers are only halfway through, and employees have just begun to change. This sends a really confusing message: employees hear that the change has been successful, but their experience is that nothing has actually changed yet. So they are stuck trying to figure out what to do: to continue the changes, even though they have been told that there is no need anymore because the organization has “won”; to go back to the old way of doing things; or so stay in between somewhere.

## Three elements of successful change

### A useful Change Formula

**Why x What x How > Resistance**

**Why = Shared need for change, sense of urgency**

**What = Clear, compelling vision or picture of the Future**

**How = Detailed change implementation plan**

Adapted from Richard Schonberger

There are three things leaders can do to help their organization deal with change successfully.

1. First, they must persuade employees of the need for change. They must answer the question: “Why do we have to change? And why now?” This usually means helping them see the problem or challenge more clearly. This is important because human beings are problem solvers by nature. If a problem is put before us, our instinct is to solve it. So if the change leader can define the problem, employees will become interested and will get drawn into trying to solve it.
2. Second, they should create a picture of the future organization that is the goal of the change process. If people are given a target to aim for, they will be drawn to trying to hit the target. And this vision should answer the question “what does success look like?” The more specific leaders can be, the more employees can imagine what the future will look like.
3. Third, leaders need to lay out a plan for getting the organization from A to B. The plan should provide a clear path for achieving the vision, even if it is not detailed at this point.

Above all, it should make clear how the workforce will be engaged in building the solutions themselves.

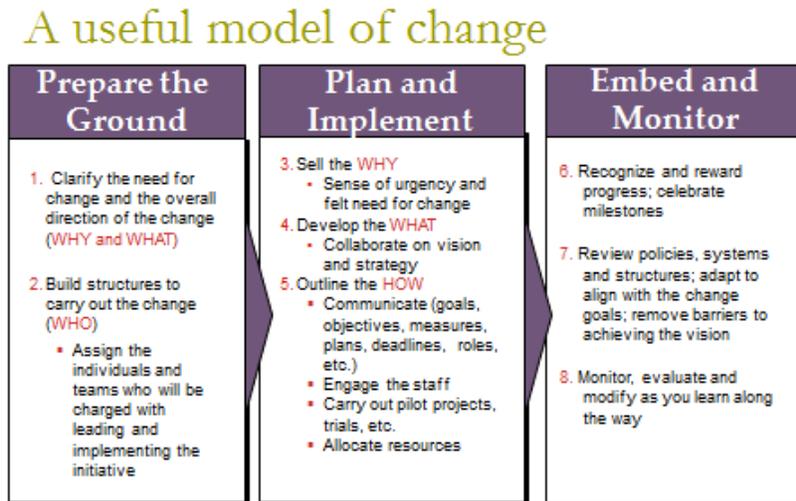
## Change models

There are many change models circulating in the world of organization development today. While they all emphasize different elements in achieving success in change, they are all based on some core principles of change that we will go into shortly.

One other thing about change: all the models present a change process as linear, with a series of steps that follow one after the other. They imply that, if we just follow the model in the order it is laid out, our change project will be successful. As we mentioned at the beginning, change is unfortunately not as linear as that. It is non-linear, it is chaotic sometimes, and it doesn't obey the timelines on our project charts. So all the models should be seen as *iterative*: that is, often we will have to cycle back to a previous step to repeat something we thought we had already done. We can find that we are carrying out the steps in a different order than what the model says. We can find that we left out critical ingredients in the "change recipe". Let's not worry about it. Models are useful guides, no more.

### Phases of a change model

Let's look at the three phases of a model for making a successful change.



*Adapted from Dr. Carol A. Beatty*

#### A. Preparing the Ground

This phase belongs mainly to the leaders of the change project. They must identify the need for change from the data they are receiving, interpret and analyze it and understand what is driving the need for change. They then need to assemble this information into a narrative that will help the workforce understand **WHY** the change is necessary at this point – they need to make the

case for change. They also need to formulate a vision for **WHAT** they hope to achieve with the change project – a clear picture of the future that people can readily understand and relate to their own work.

A key element of the vision has to be as clear as possible a picture of what success looks like – it should answer the question “what will we have to do differently?”. This reinforces the idea that change is ultimately about behaviour change. If, at the end of your change project, nobody has actually changed the way they do things, then either the change proposed was insignificant, or the project has failed.

They must start thinking about who will lead the change, who will implement, how various players will be engaged and involved, whether there will be task teams or committees – in short, they must figure out **HOW** the change project will be governed.

They must also begin to communicate about the change, outlining the **WHY**, the **WHAT** and the **HOW** of the change project in various formats. It is important that all managers buy into the change, and that they can all tell the same story about it. Workers like to hear from senior managers about the changes – in town hall meetings, emails sent out to all, briefings, etc. – but they want to hear the real story from their direct supervisor. So all managers need to have their story straight before launching the project.

## **B. Planning and Implementing**

At this point, managers at all levels should communicate with their staff about the changes – explain why it is necessary, and involving them in discussions of what the future should look like. Even though senior managers have described a vision for the future, workers need to make it theirs too. They can engage in discussions about what success would look like from their point of view, and thus build a collaborative view of the vision. They can also engage in discussions about the strategy to get from A to B – that is, to the future vision.

Managers can they lay out the plans for achieving the change goals: the timelines, results to be hoped for, resources to be allocated, etc. Work teams can be put together to look at how the changes can be achieved and to propose innovative solutions. It is useful to have an integrated engagement, communications and training strategy, so that as workers start building the future state, they will be engaged and be given training at the right time.

## **C. Embedding and Monitoring**

As teams develop and try out various solutions to achieve the goals, it is important to reward progress and signs of the behavioural changes that will move the organization forward – and not to inadvertently punish the new behaviours. For example, when we ask a team to try a new way of doing something, how often do we “reward” those who try it first by giving them more work, since they seem to be “getting it”?

At this point, it is useful to re-examine the organization’s policies, rules, guidelines etc. to see if they are in some way maintaining barriers to achieving the goals. As another example, if we want to create true team behaviour, but our reward system is built on individual achievement,

there is no team-based incentive to try out the new “team” behaviours. This can be easily corrected by creating simple team-based incentives.

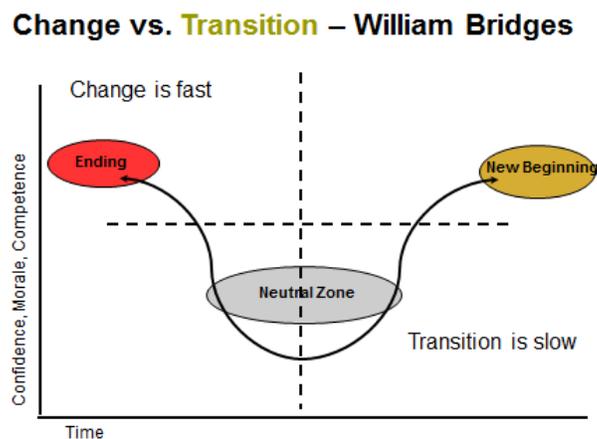
Although the models present change as a neat, tidy plan that, if executed properly, will achieve the goals painlessly, the reality is messier. Often we proceed by trial and error: we try out a potential solution, find that it doesn't work, go back and redesign, try again, adjust on the fly, and eventually achieve something that we can live with. It is important to monitor progress towards the goals all along the way, and adjust continually to suit the reality of the situation.

## The People Side of Change

With all the planning involved in a big change project, we can sometimes lose sight of the fact that all change is ultimately about people changing something in their behaviour – and this does not happen easily. In general, we don't like change. We tend to change, not because we want to, but because we have to. A large part of leading a change project is persuading the organization that the change must happen – not that it would be nice if we change, but that is essential that we change.

A critical point about all change is that it is an emotional process. As workers learn that they must change so that the organization can survive and thrive, their emotions kick in, and it becomes harder to engage them at the level of logic.

This was best put by William Bridges, who said that *change* is what happens on the outside, but *transition* is what happens inside us (psychologically) as we adapt to change. As we attempt to adjust in a change process, we go through a progression of emotions that is fairly predictable.

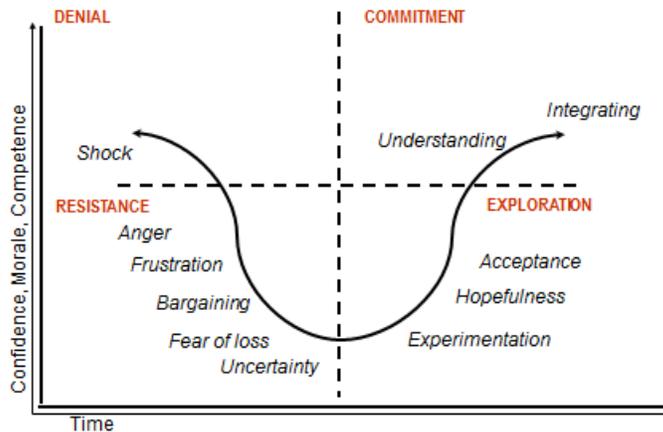


Bridges said that all change starts with an *Ending*: in order to embark on a change process, we must first *let go* of the old. We must say goodbye to the current state – the ways we do things at the office, the networks we have, the things we are trying to achieve – before we can launch into the changes. Then we drift into the *Neutral Zone*, where the old ways of doing things don't work anymore, but we still can't figure out what the new ways are. As we cope with our negative emotions about losing the old ways, we work through the Neutral Zone until we are ready to

experiment with new ways: we embark on a *New Beginning*. As we gain confidence that the new ways are going to work, we become more positive about the change, until eventually we are fully in the new state, and have forgotten about the old way of doing things.

## Our Emotions

### Transition and Emotions



The first reaction when a change is proposed tends to be *denial* – “This isn’t happening, it won’t happen to me, they are not really serious about this, just wait a while and this will go away”, etc.

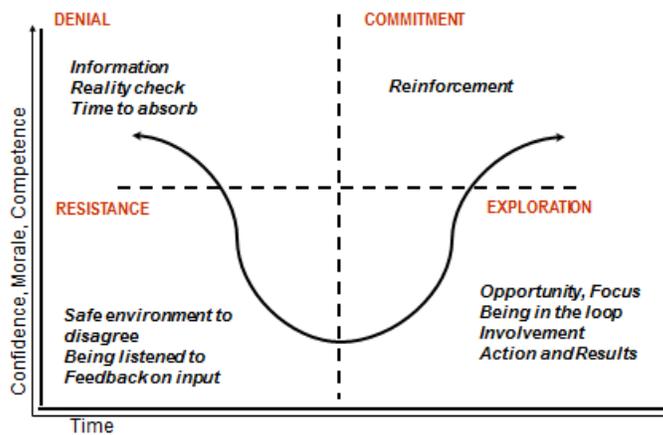
As we begin to understand that, this time they might actually be serious about the changes, we tend to slip into some negative emotions, starting with *anger* and frustration – “This is the dumbest thing I have ever heard of, I hate this idea, it will ruin everything, they don’t know what they are doing”.

As we vent and let off steam, gradually our anger gives way to a less energetic series of emotions, including *bargaining* – “Can’t we just try some of the changes? Why can’t the other team try out the changes and we’ll stay the way we are?”, *fear of loss* – “What will happen to me? How am I going to pay the bills now?”, and *depression* – “I don’t care anymore. I can’t fight this, I’m too tired to resist”.

As we work through depression, eventually we begin to *experiment* with the new ways of doing things, cautiously at first, then with a growing sense of *hopefulness* that this might actually work. As we find that the new ways aren’t the disaster we thought they would be, we *accept* the changes, understand them as being beneficial, and finally *integrate* them into our new ways of behaving.

# Our Needs While in Transition

## Transition and Needs



When we are at the beginning of a change process and firmly in **denial** that this will happen to us, we need lots of information to convince us that this time it's for real. We might need a reality check to help us get over that feeling that this could never happen to us. And we need time to absorb all this information and work out what it all means.

As we slip into anger and **resistance**, we need to be able to vent safely, without feeling that we

will be punished for being outspoken. As we talk our way through our anger, we need to be heard. We don't need to be agreed with or placated though. We just need someone to take our complaints and harsh words seriously. We want to be acknowledged.

As we move out of our resistance and into **exploration**, we need something positive to hook onto. We need an opportunity to start contributing to building the future state – membership on a task team, being part of a pilot project, a new procedure to try out.

Finally, once we have fully **committed** to the changes, we need to have our new behaviours and ways of seeing things reinforced in a positive way – we need rewards, praise, and a sense of accomplishment.

## Conclusion

As the rate and depth of change increases, we will have to get better at living with it, and at adapting to it. Although linear models of change are useful to get us started, we must focus more on how to continuously adapt to the changes around us, rather than trying to apply control-based models of change. If we can replace “change management” with “increasing our adaptive capacity”, we will be moving in the right direction.