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Fast and Effective Change Management

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Fast and Effective Change Management

Abstract
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After more than a decade of research by academics and practitioners, one would think that we are now doing a much better job of managing change. Actually, that does not seem to be the case. In 2008, McKinsey & Company conducted a global survey of change management and found just about the same results as Kotter had 12 years before—only a third of change management attempts are successful. What are we doing wrong?

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Comments
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Fast and Effective Change Management

By Phillip Ash

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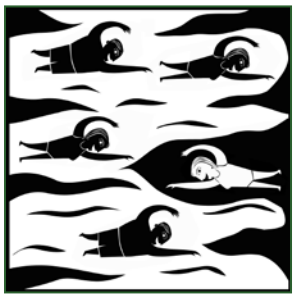
Introduction



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After more than a decade of research by academics and practitioners, one would think that we are now doing a much better job of managing change. Actually, that does not seem to be the case. In 2008, McKinsey & Company conducted a global survey of change management and found just about the same results as Kotter had 12 years before—only a third of change management attempts are successful. What are we doing wrong?

Why We Resist Change

To be honest, many organizations do not make much of an effort to manage change. They simply announce what the changes will be and expect everyone to comply. There are two problems with this approach. First, the change sponsors have apparently failed to consider that we are creatures of habit, are generally satisfied with the status quo, and will tend to initially resist change. The second problem has to do with the fact that mere compliance behaviors do not make change initiatives successful—a large measure of discretionary effort is required.

There is initial resistance to organizational change for at least three reasons. First, people have had negative experiences as a result of previous organizational change efforts. However, this is not to suggest that most people have had generally bad experiences with the entire organizational change process; we are specifically referring to the "transition" part of change. In the change process, you do not just go from the old to the new—from the status quo to a new, better alternative. The transition period spans the time from when people first learn about the proposed changes to the time they are successfully implemented. It is within this transition period that change makers (those being asked to

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change) experience discomfort.

Implementing organizational change initiatives invariably involves people changing themselves. The change you want to make cannot happen until people decide to change. William Bridges expressed this point quite well in his book *Managing Transitions: Making the Most of Change,*[1] where he suggested that the transition, not the change, matters. Change is not the same as transition. Change is situational because of the new technology, the new boss, the new team roles, the new policy, etc. Transition is the psychological process people go through to come to terms with the new situation. Unless transition takes place, the planned change will simply not work.

> *Leaders establish the vision for the future and set the strategy for getting there; they cause change. They motivate and inspire others to go in the right direction and they, along with everyone else, sacrifice to get there.*
>
> —John Kotter

Some discomfort is inevitable, but organizations generally fail to minimize the negative consequences of transition. Workers fear they cannot conform and succeed in the post-change work environment. They are often confused about why organizations make the change, exactly what the scope of the change is, and how their jobs will be impacted. Most organizations do little to allay such fears and concerns. If they did, implementing organizational change can be much faster and done more effectively.

A second reason for the pain during the transition period is the "mourning" change makers feel from the "death" of their work status quo. To help change makers accept the need for change, change managers attempt to portray the status quo as unacceptable, undesirable, and no longer viable. In other words, the status quo must be "killed" so that we can progress with making changes and creating a better future.

Resistance to change is not often strongly expressed when the proposed changes are initially unveiled because there is widespread denial that they will be pushed through. Not long after denial (when people realize that change is inevitable) a period of depression will typically follow. Depression is the critical period which must be made as brief as possible to allow change makers to at least conditionally accept the changes and begin testing new behaviors.

In a sense, change managers need to "kill" the status quo in the minds of personnel before they can move on to the new vision the organization has for the future. However, we must understand that many staff members have a stake in the status quo. One of the best pieces of research that helps us understand what workers experience psychologically during the transition period is *On Death and Dying*[2] by Elizabeth Kubler-Ross. Psychologically speaking, many workers mourn the loss of the status quo much as if they would mourn the loss of a person. Several change researchers support Kubler-Ross' proposition that mourners (be they mourning the death of a person or the loss of the status quo at work) pass through five stages: denial and isolation, anger, bargaining, depression, trial, and acceptance. The depression phase is obviously painful, and often protracted.

The third reason many people initially resist change is the uncertainty created by the announcement of impending change. Daryl Conner described change as the disruption of expectations. [3] He proposed that people resist change because it disrupts the certainty and order of their work lives. Combining these three sources, it is easy to understand why many change makers will initially resist change no matter how badly needed the changes may be.

Strategies for Overcoming Resistance

Our own experience confirms the truth about the importance of "unfreezing" the status quo. One "unfreezing" strategy is to portray the proposed changes as a much better alternative than maintaining the status quo. However, while explaining the benefits of planned changes is important, this will almost certainly not be sufficient to "unfreeze" the status quo.

To make change fast and effective, you need to convince change makers that the status quo is no longer acceptable and that change is unavoidable. A classic metaphor for the "unfreezing" process is the "burning

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[1] William Bridges. 1991. *Managing Transitions: Making the Most of Change*. Addison-Wesley Publishing.

[2] Elizabeth Kubler-Ross. 1973. *On Death and Dying*. Routledge Publishing.

[3] Daryl Conner. 1993. *Managing at the Speed of Change*. Random House Publishing.

platform." An oil platform caught fire in the North Sea trapping hundreds of workers between a blazing fire and the icy cold water below. Even though managers ordered workers to stay on the platform and wait for a rescue party, a few workers disobeyed and jumped more than a hundred feet into the freezing water that contained patches of blazing oil and debris. As it turned out, the only workers to survive the ordeal were those who jumped into the water. Once on shore, one survivor was asked how he found the courage to make that terrible jump. His response was, "My God man, I was standing on a burning platform—I had no choice but to jump." One way to get change makers to abandon the status quo is to create a burning platform for change. In other words, make it easy to let go of the status quo by making it impossible to maintain.

> *Faced with the choice between changing one's mind and proving that there is no need to do so, almost everyone gets busy on the proof.*
>
> —John Kenneth Galbraith

Getting Past the Valley of Despair

As noted earlier, people do not strongly express resistance when the proposed changes are initially unveiled because there is widespread denial that the changes will be pushed through. But you will remember from the Kubler-Ross model that depression typically follows denial, anger, and bargaining. Depression is the critical period that must be made as brief as possible to allow the targets of change to at least conditionally accept the changes and begin testing new behaviors.

During the denial period, any thoughts that the organization might abandon the proposed changes should not be reinforced. In a sense, we need to "kill" the status quo in the minds of personnel before they can move on to the new vision the organization has for the future. However, we must understand that many staff members have a stake in the status quo.

During the anger period, we should remain as unemotional and rational as possible. Displays of compassion and understanding are appropriate; portraying the positive aspects of organizational life that one can expect once the change initiatives are completed is also important. Allow for some venting of frustration, but reinforce the absolute necessity for change.

> *After you've done a thing the same way for two years, look it over carefully. After five years, look at it with suspicion. And after ten years, throw it away and start all over.*
>
> —Alfred Edward Perlman

The bargaining phase is a good time to express some flexibility in the details of implementation and invite change makers to participate in refining implementation plans. While expressing some willingness to adjust the change initiatives through participation, maintain your commitment to reject the status quo in favor of the change initiatives.

Often, the depression phase is the most difficult for change managers. During this phase, change makers need to have their "space" to "mourn the death" of the status quo; but this is characteristically a period of lowered productivity that is not good for anyone. One of the keys to moving change makers through this period quickly is to encourage discussions between change makers who have moved on to trial and acceptance and those who remain in the depression stage. Change agents can also play an important role in carefully prodding change makers into the trial phase from being in depression.

In both the depression and trial stages, you should look carefully for examples of "trial behaviors." Once spotted, you should positively reinforce these to produce more of the same type of behaviors. While you need to show compassion during depression, do not employ positive reinforcement since you will just be prolonging the length of time in the "valley of despair." The key to both the trial and acceptance phases is lots of positive reinforcement for appropriate behaviors.

It is necessary to recognize and accept the fact that little progress will be made toward implementing change, so long as change makers have not yet made it past the depression stage. Their effectiveness in the status quo environment will also deteriorate. Therefore, it is critical to focus on getting the change makers on to trial and acceptance as quickly as possible. It is also important to not get "ahead of the game" by focusing on other change management issues when large numbers of people are not yet ready for acceptance. You must finish the "unfreezing" job and move change makers through the depression stage before real change can happen.

The 3 Cs Communication Strategy

The 3 Cs communication strategy is the primary communication-planning tool used to address resistance to change. The three Cs stand for the types of change issues that communication strategies should address:

- **Context**—Why make these changes? What is happening with our customers, competitors, stakeholders, and the like, that make these changes so important for us?
- **Content**—What exactly is it that we are changing? What are the scope, nature, and timing of the planned change initiatives?
- **Consequences**—What is in it for me personally, if I demonstrate defiance, compliance, or alliance with the proposed change initiatives?

The mistake that most companies make is simply announcing the content of the proposed change initiatives and soon thereafter treating any employee who does not exhibit a "positive, can do" attitude as disloyal. This ignores the psychological reality of change. We have seen companies making 80% of their communication effort on the content of change, and 10% each on context and consequences. Actually, we recommend about 20% on content issues and 40% each on context and consequences.

Discretionary Effort, Not Compliance

Performers can adopt one of three positions relative to proposed changes:

- **Defiance**—They adopt dysfunctional behaviors that are detrimental to the changes we want to occur.
- **Compliance**—Performers do not directly oppose the changes, neither do they exhibit much, if any, discretionary effort. Often, compliant performers will declare support for proposed changes but will not match their words with effort. What they say is not what they do.
- **Alliance**—Performers not only support the proposed changes with their words but they also exhibit strong discretionary efforts and their actions match their words.

The amount of discretionary effort is the difference between the least amount of effort required to just conform to a change request and the maximum possible effort. Behavioral research in workplace environments estimates that maximum discretionary effort can produce 100% greater results. Therefore, an important objective of a performance management program is to maximize discretionary effort.

Typically, few people are consistently defiant when confronted by change requests. The much more challenging problem is compliance. For one thing, it is hard to detect. Lack of discretionary effort is just one explanation among many for sub-par performance. It could be lack of training, poor coaching, lack of cooperation and support from others, etc. And so it is difficult to conclude with certainty that someone or a group is making little or no discretionary effort.

Ways to deal with lack of discretionary effort include communication, training, and consequences. A communication problem might exist if we have not thoroughly explained what behaviors we desire. Another explanation for the lack of discretionary effort is lack of competency. In other words, employees are not performing well because they simply are not able to. Perhaps training is needed to develop new competencies or strengthen existing ones. If we can be sure that performers know what is expected of them and they have the ability to perform, then we can reasonably conclude that applied behavior analysis principles can be used to improve discretionary effort and performance.

Fast and Effective Change Management

Slowly obtaining acceptance is not a reasonable objective for change management. At best, this approach will disrupt current operations and result in the same or lower levels of performance stemming from compliant behaviors only.

When thinking about a change initiative, one should seek to rapidly implement change that results in the higher levels of performance that were envisioned when the decision to make the changes was made. Key to making this happen is to first overcome the resistance to change and then secure as much discretionary effort as possible.

Most change initiatives are developed to improve performance. Yet, too often, the original objectives pertaining to better performance, improved quality, enhanced customer satisfaction, or whatever dimension of improvement was envisioned seem to be forgotten. Once the decision to introduce change is made, the attention of the sponsors of change tend to shift from the reasons for making the change and the promise of better performance to making sure the targets of change understand what the requested changes are and will comply. In reality, change management and performance management should be viewed as flip sides of the same coin. After all, why change if not to improve performance? Change for the sake of change makes little sense. Change managers should focus first on unfreezing the status quo and reinforcing trial behaviors as soon as they occur, then focus on driving performance higher by improving discretionary effort. That is fast and effective change management!

Further Reading

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Knowledge Solutions

Asian Development Bank

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