

Change Is Constant — Manage It Proactively

Strategies for Change Management

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Learning Objectives

- Explore an individual change model
- Examine a process for working through change
- Understand personality styles in times of change
- Discover strategies for addressing individual change
- Learn strategies for addressing organizational change
- How to partner with employees in times of change

Make Things Happen



Never forget that you have the ability to make things happen. It is a truly amazing and powerful ability that too often you take for granted. You use it quite effectively every day to make the little things happen. Keep in mind that the same ability you use to make the little things happen can also make big things happen. Because when you look very closely, the big things are made up of lots of little things.

The fact is that you have the ability, right now in this moment, to take positive action, no matter how ambitious the goal, no matter how daunting the challenge. You can make things happen the way you want them to happen.

There's no need in waiting for fortune to smile on you. You already have what you need because you already have the ability to make things happen. Whatever must be overcome, you can overcome. Whatever can be achieved, you can achieve. Really decide to do it, and you're halfway there. Take the first step, and you're three-quarters of the way there. Persist for as long as necessary, and you've made it happen.

Make full use of your ability to make things happen. Focus and direct that ability to make your world a better place for yourself and all the people in it.

— *Ralph Marston*



Overview of Change

In times of change (e.g., merger), these kinds of transitions, if not done correctly, can escalate employee disengagement. — Rebecca Powers Mercer

Change occurs on some level in the corporate world every day, from **minor** (moving to a different work station), **medium** (change in work flow), or **major** (merger). For some, change in the workplace can cause personal and professional stress, disengagement, and conflict. For others it may be a breath of fresh air. There is no right or wrong; we all respond to change differently. This program provides an introduction to change management strategies to assist leaders to proactively manage this constant change.

This is important because an organization is made up of many individuals who have different perceptions, wants, and needs. Leaders can't assume everyone is the same, nor can they ignore the importance of managing change.

Whether an employee sees the glass half full or half empty during a period of change, this is in essence how they filter the world (perceptions, beliefs, self-esteem, motivation) that influences how they respond to change. Today more and more organizations understand this and are spending more time and resources helping their employees move through change and stay engaged.

Most companies care about and are interested in their employees' well-being and success. They know that if employees are successful, ultimately the organization will be more successful. Actions such as training and implementing change management strategies can make a positive impact financially. Companies today are learning of the financial realities of ineffective change management strategies and how valuable and important it is to close the gaps (e.g., communication, defined plans, follow-through) in times of change, so transition can be smooth.

Operating income among companies with high employee engagement improved 19%, while it declined 33% over the same period among companies with low employee engagement.

Why Do Organizations Have Change?

This is a question that many employees have asked over the years. There are several key reasons, including: *finances, technology, growth, and market demand*. All of these are outside the scope of most employees' control. Organizations are becoming more in tune that change can be unsettling and may take some time to help employees accept, grieve, and process the change so that they can move on. But without change a company may not grow to its potential or may risk going out of business. Leaders are learning to understand the impact of Fundamental Attribution

Errors. These are the issues (e.g., policies and processes that create unnecessary bureaucracy in a time of change) that directly impact employees in a negative way but over which they have no control. If leaders don't see these issues they complicate the change process and erode employees' morale, performance, and retention.

Question

- What kinds of change (minor, medium, major) have occurred in your workplace?

What is Change Management?

Change management is the process of proactively managing change using planned management strategies that are implemented in a strategic and systematic order. The goal of change is the installation of a new way that has been determined by a company as necessary for its continued success or to get on a path to success. The root cause of the change may be initiated from within or outside (e.g., legislation, politics, or market).

Change management is an ongoing process that involves being proactive and dynamic, with the goal of being competitive. A critical core competency for leaders is knowledge and skills in change management.

Questions

- What is the value of having a change management strategy in place?
- What are your change management strategies?

Potential Barriers to Successful Organizational Change:

- Lack of visible contact with leaders who are overseeing the change.
- Resistance to change.
- Lack of communication.
- Lack of preparation and readiness.
- Leaders' fear of losing authority.
- Leaders not providing a clear vision and rationale for the change.
- Leaders downplay impact.
- Lack of follow-through.
- Lack of planning.
- Leadership lacking competencies in change management.
- No plan to implement change.
- No plan to measure and monitor change management plan.

Question

- What are two additional barriers you have observed in your workplace?

1. _____ 2. _____



Change Measure

Circle NT if not true; T if sometimes true; VT if very true. Total your score.
The higher the score, the less this is an issue at this time in your life.

NT	T	VT	Statements
1	2	3	I expect change to happen.
1	2	3	I have a change management strategy.
1	2	3	I understand the role of a leader in times of change.
1	2	3	I know why people deal with change differently.
1	2	3	I am committed and flexible in exploring new change management strategies.
1	2	3	I understand the cost of change when it's not managed proactively.
1	2	3	Change can be stressful and I can be patient, have empathy, and coach people to move through change.
1	2	3	I understand my peers will deal with change differently and I don't judge.
1	2	3	I know in most organizations change is ultimately out of my control; what is in my control is how I respond to the change.
1	2	3	I am a positive role model for my reports in both small and large change.
			<i>The higher your score, the more aware and prepared you are as a leader to manage change proactively. This is only an awareness activity to help you form questions and define areas of need.</i>
TOTALS			Howatt HR Consulting Inc. © 2006 licensed used only

Common Challenges and Resistance to Change

People often resist change. When this happens, they are not able to build effective partnerships until they understand the need for the change. This is why it's helpful to educate employees in strategies for moving through change and clearly communicating what and why change is happening to help them cope with change and to normalize its challenges.

10 examples of why people resist change:

1. Lack of information around the change.
2. Personal/life balance issues, impact to the individual's life.
3. Break in routine.
4. Give-up factor — what the person will lose in the change.
5. Sense of being alone, even if in a large group, because of the perception of losing role.
6. Supports and resource lacking to implement the change.
7. Order to implement and adapt to change not clearly understood.
8. Impact question of defining full scope of change not clear.
9. Organization concerns about implementation of change.
10. How much change is needed and timelines.

Question

- What are three more examples and how have you seen them impact the change process and the attitudes of those involved?

To proactively facilitate organizational change, leaders need to partner with their workforce and not assume change can happen just because it has been willed. Change requires a plan and process.



Value of Educating Leaders About Change

One thing all companies know for sure in this new economy is that change is going to happen and often is going to happen fast without a lot of notice. The value of educating leaders about change includes:

1. Leaders will understand that people deal with change differently and will be more prepared to assist their reports to move forward.
2. It provides leaders with tools for reducing conflict and employee disengagement.
3. It increases productivity because leaders have more tools to get employees back on track or through change.
4. It provides leaders with a frame of reference for identifying employees who are having a hard time coping with change.
5. It assists leaders in their design of change management strategies by being more aware of the human factor.
6. It provides leaders with an outline of the core competencies that they will need to effectively navigate change.
7. It provides leaders with tips and suggestions for initiating change.
8. It provides leaders with insights to roadblocks and why people resist change.
9. It provides leaders with strategies to deal with transition.

Question

What are two other rationales you can think of?

1. _____
2. _____

Addressing Individual Change

Leadership becomes the most important driver of engagement as companies transform.

— Tower Perrin, Global Workforce Study

Change in organizations is ongoing and a part of normal business. This section provides a model to help individuals understand and move through change in the workplace. Change can be defined as “addressing any life event — minor or major — that involves some loss or change that comes from an internal or external influence.” All change can at first be perceived as exciting or painful.

Common examples of change:



Change can only be defined by an individual. Seldom do people see an event the same way, and we all move through the cycle of change a little differently. To address change, Howatt HR uses a model called *New Beginnings*, because in essence, all change is a new beginning. In life, we have a beginning, middle, and end to most everything we are involved in. We were born; we go through the middle part of life; and then die, which is the end of what we will physically experience in this world. Thus, to address change, we need to understand that everything has an ending. The problem is, with most change, we are not always consciously aware of how we have or have not chosen the time, place, or situation for the ending. Even if we have not chosen the ending, when it comes, we need to create a new beginning in order to move forward. What other choice do we have?

New Beginnings addresses change and is intended to be a map, so you know the territory and can find your bearings as you seek a new beginning.

As shown in Figure 1-1, there is a transition before you move from an ENDING to A NEW BEGINNING. This is similar to what famous psychiatrist Viktor Frankl called the GAP — the point between receiving information and reacting to it. In this period, whatever we do with the information we receive is our choice. This is why some people, when they lose a job, get drunk, depress, get angry, or say “so what.” Others, however, see it as an opportunity to find a new job. To move through change we need to learn that we can only control our present perceptions, beliefs, and actions, because we always have choice.

New Beginnings recognizes that in life there is always a BEGINNING, a MIDDLE, and an ENDING to everything we do, and we have the framework needed to move forward.



Individual Change Model

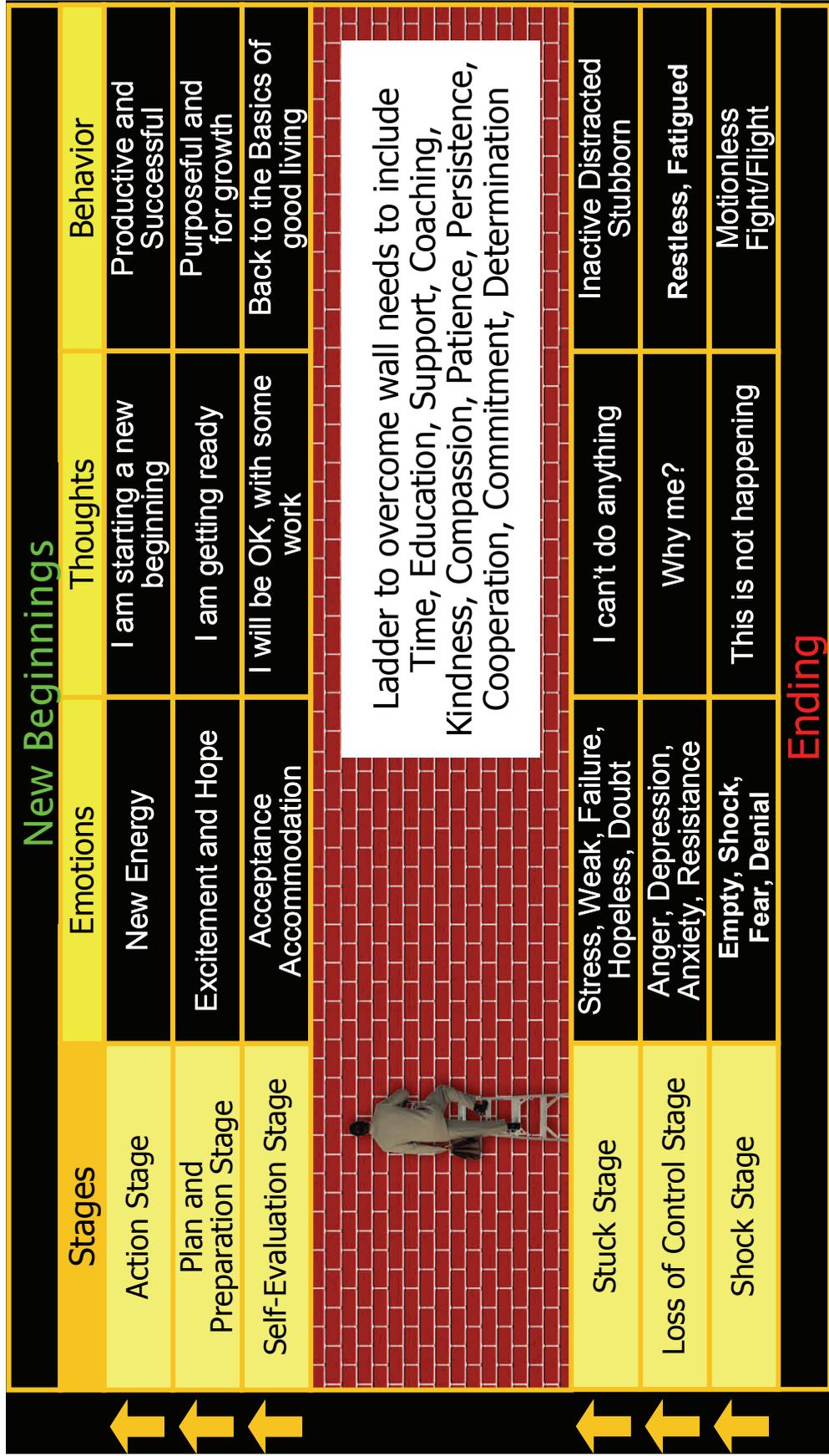


Figure 1-1 — Stages of New Beginnings

How the Model Works

It's not necessary to go through all stages. For example, some will stay in the second stage (loss of control) for a period of time, until they acquire the knowledge and skills to move forward. Others will process the change so fast that they will jump through all the stages and appear to be off to a new beginning quickly. Although some people are able to do this incident-free, it's also normal for a person who goes through the stages really fast to have a delayed reaction (30 days to 6 months), and then return to the first or some other stage. This is why many people are lost in life; they have had a major change and still have not fully processed it (old perceptions control present ones). When faced with change they do not want, many become stuck in one of the early stages and create an internal rule that takes years to get over and to move forward. For example, a divorcee may stay in the stuck stage for years and feel hopeless about future relationships.

For people who have been struck by major events such as loss of a spouse or marriage, the effects can go on for years. If they are not treated or coached, they may never move on. In some cases, a person may have two or three major events going on in their life and be in different stages of the change process for each. This also can complicate the process of moving to a new beginning. For example, a change in a relationship can have a major impact on change at work.

In the 16th century, Niccolo Machiavelli stated in his political treatise, The Prince, "There is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things."

This is where life balance is important. Since we all interpret and store information of previous experiences and learnings differently, some may go from endings to new beginnings easily and effortlessly. In fact, for some, a new beginning is so exciting, they force endings.

One of my challenges when coaching people is that if they stay in the **stuck stage** too long, they risk creating new habits of ineffective behavior, such as addictions (alcohol, tobacco, food, etc.) to cope with being stuck. From working with people who get hurt on the job, or go on stress leave, I have observed that if a person is away from work for more than a year on long-term disability, the chances of their returning to the same job are statistically very low. The key to change is to be aware that it's a process that needs effort and attention.

We seldom ever are in one event of change at a time. For example, if you lose your job and relationship in the same month, notice in figure 1-1 how you can be in different stages. Once we realize that we can be in several stages of change at one time, we then can become aware that if we address the major issues first, then the little or less intense issues are easier to resolve.

As we continue to grow and experience life, we are continually measuring our time on earth, but time is really only a linear measurement (see Figure 1-2). The key to new beginnings is continuing to look forward to the future if you have a change. And understand that change, like life, has stages that are predictable. What's not predictable is how a person may respond.

We will have many changing events on our individual timeline of life — some good and some not so good. Whether the adage "time heals all" is true or not, sometimes the ending of



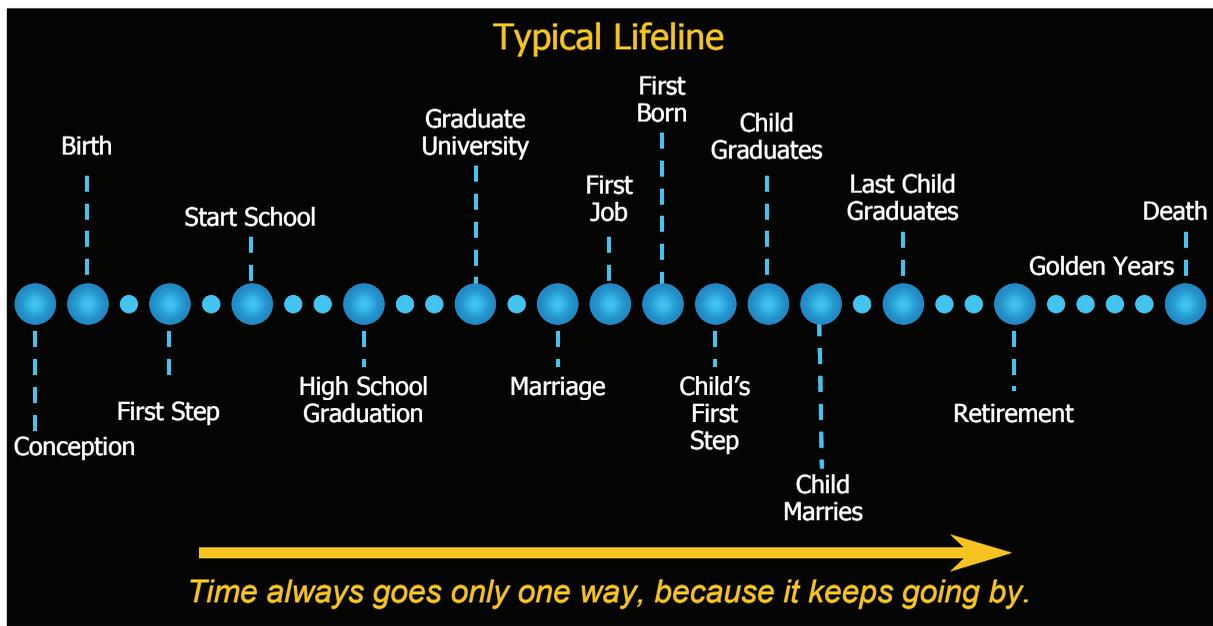


Figure 1-2 – Typical Lifeline

something may leave you feeling you are helpless and faced with climbing Mount Everest, or as tall as the Jolly Green Giant, stepping over a cornfield. The key to understanding individual change is there is a normal process that's observable. What's not predictable is how each person may deal with each kind of change, whether major or minor. We all are individuals and no two people will go through the process the same way. While there are clear markers, they will not go to the exact spot, nor stay in the same stage for the same length of time. All we know, no matter what the situation or issue, time will not stop for us, nor can we rewind it. What you need to be mindful of is that change is a process, and no matter how we progress, time will not accommodate us by stopping.

In any event, there will be a gap between an ending and a new beginning. The gap, though, is a variable that can be a millisecond or a decade, depending on how the individual manages change. It also depends on the resources and support you have and specifically, the "stakes." For example, the loss of a spouse of 30 years will normally be a much more difficult loss than for a child who loses their favorite toy. The challenge is to not judge, but to understand that no matter what has happened, only the person involved can ultimately choose what direction they will take, whether they know it or not. The role of a leader is to support people to move through the process.

The above example of linear time uses several examples to show how we are always changing and that change is predictable. But even knowing it's going to happen, change can be daunting. Many people get stuck in these difficult phases of their lives because of not being able to cope with natural changes or other types of change that happen in one's life. The sands of time continue to flow and we continue to be faced with change. Change is not a problem in itself; what we do or not do with the change often becomes the problem.

The Philosophy of Change

Change is always going to happen, but how we move through the stages of change is influenced by our personality, which in turn is influenced by our belief systems. When faced with change it's helpful to stick with core values, such as honesty, integrity, hard work, community, and love.

Regardless of the changes in one's work or home, the change process requires action, awareness, and attitude, to be able to move through it and not get stuck. However, knowing and doing often can be different, so keep in mind that change can be challenging. Be patient and understand change is a process and seldom an event.

Decide that as a leader you will embrace change or avoid it. Understand that the most effective leader accepts that change will happen and take the steps to address it. The first step a leader can take is to have a model for understanding and explaining how change impacts employees and for helping them move through the normal stages of change.



Human Behavior and Change

What is Human Behavior?

Human behavior can be defined following the guidelines of B. F. Skinner's operant conditioning, as the collection of activities performed by human beings and influenced by culture, attitudes, emotions, values, ethics, authority, rapport, persuasion, and a lot of other factors. The basic premise of human behavior is that of Stimulus-Response, where people, places, events, or things act as a catalyst that influences human behavior.

Why Do We Do What We Do?

How does one explain human behavior? This section explains why we do what we do and presents the importance of stabilizing the emotional and physiological components of life so that present and future conflicts may be resolved. William Glasser's Choice Theory teaches how to keep effective control of your life; you must be willing to learn that almost all you do is not a reaction or response to events around you.

Choosing long-term pain or criticism will never get you what you want. Choice Theory teaches us to recognize that we not only choose our behavior but we can also make bad choices. The first major learning of Choice Theory is that we can attempt to gain better control of our lives, but have no power to make others do, think, or feel anything they believe does not satisfy them, no matter how much we might want them to do so.

In Choice Theory, there is no way to actually control even a small portion of the world around you – only your own actions. For example, every person with whom you interact has an option to respond to your actions or not. Yes, you may influence them, but it's always their choice. Think about the Nazi or Korean prison camps and the prisoners' stories of how many somehow never let their

keepers break their will. When you understand this, you will understand that no one has direct control over you. You have control over what you do and think in most life situations. Miserable things happen to everyone, so learning and accepting that misery is a choice and that different and better choices are almost always available is a key milestone to effective self-control. Knowing this will help you make an active effort, either on your own or with help, to choose more effective behaviors. As you gain a small degree of self-control, you gain the confidence to gain more.

Without realizing it, most people believe in what is referred to as External Locus of Control (ELOC) and consequently believe they have no choice in their behavior but are essentially forced

*There are three things extremely hard – steel, a diamond, and to know one's self.
– Benjamin Franklin*

to act as they do. ELOC is based on a model in which control is out of the individual's hands and, to ever gain control, force and fear are necessary. Nevertheless, as difficult as it is to accept, we are not controlled by external forces; we have the capacity to choose our own behavior and not believe that the external world is to blame. This is called Internal Locus of Control (ILOC), where individuals are motivated completely by forces inside themselves and all their actions are attempts to control their own lives.

Consciously or not, many people interact with others following the guidelines of Skinner's operand conditioning. Glasser developed a model based on the psychology of ILOC versus Stimulus-Response psychology. This model helps teach the "whys" of all human behavior. The foundation of these guidelines is that if we have the knowledge and skills, we can choose productive behavior and gain control over ourselves.

The more a person can learn to work from an ILOC, the more they will be able to manage change, move through the process, cope with loss, and take the actions needed for a new beginning. The good news is people can learn how to operate from an ILOC paradigm.

Elisabeth Kubler-Ross Grief Model

This grief model can be helpful to assist people in times of loss to understand the stages of grief and to normalize how the grief process is relevant in times of losses that occur in the workplace, such as termination. The grief process includes: 1) Denial and isolation. This reaction softens the initial shock of the loss and gives the sufferer time to collect himself again. 2) Anger, as the grieving person realizes the extent of the loss. This is a normal reaction as the griever is trying to gain respect, attention, and control. 3) Bargaining is a contract for a change in circumstances. 4) Depression occurs as the person grieving realizes the finality of the loss. Common responses during this phase include sadness, pessimism, guilt feelings, and an emotional readiness to give up. 5) Acceptance happens after the mourning process is exhausted and the person accepts the loss and their situation. The employee may not necessarily experience each stage in the order it's listed. Furthermore, these stages are not inevitable or the same for each individual; rather they are common among people experiencing loss.

The grief process can be lengthy but is natural and important for healing and moving beyond change.



Locus of Control Measure

Complete the Locus of Control Measure on the following page to examine if you are motivated by internal or external locus of control. This is important insight as you start to explore Glasser's Choice Theory.

On one end, people are motivated by what others think of them (an external locus of control), and on the other end people acknowledge that they are responsible for their behavior and choices (internal locus of control). In each pair of statements, choose the one that most closely describes your beliefs and check the statement A or B. If you agree with both statements, or disagree with both statements, choose the one that fits best. There are no right or wrong answers.

Locus of Control Answer Sheet

Instructions: Using the Answer Sheet, transcribe your answers to the Internal or External column. The higher number indicates your preference.

	Internal	External
1.	B	A
2.	A	B
3.	B	A
4.	B	A
5.	B	A
6.	A	B
7.	A	B
8.	B	A
9.	B	A
10.	B	A
11.	A	B
12.	A	B

Locus of Control Measure		
1.	A. Many of the unhappy things in people's lives are partly due to bad luck. B. People's misfortunes result from the mistakes they make.	<input type="checkbox"/> <input type="checkbox"/>
2.	A. Each person determines their own worth in the workplace. B. Unfortunately, an individual's worth often passes unrecognized, no matter how hard they try.	<input type="checkbox"/> <input type="checkbox"/>
3.	A. Without the right breaks, one cannot be an effective leader. B. Leaders cannot rely on breaks; they need to rely on themselves.	<input type="checkbox"/> <input type="checkbox"/>
4.	A. No matter how hard I try, some people just don't like me. B. People who can't get others to like them don't understand how to get along with others.	<input type="checkbox"/> <input type="checkbox"/>
5.	A. I have often found that what is going to happen will happen. B. Trusting to fate has never turned out as well for me as taking a definite course of action.	<input type="checkbox"/> <input type="checkbox"/>
6.	A. When I make plans, I am almost certain that I can make them work. B. It's not always wise to plan too far ahead, because many things turn out to be a matter of good or bad fortune.	<input type="checkbox"/> <input type="checkbox"/>
7.	A. In my case, getting what I want has little or nothing to do with luck. B. Many times, we might just as well decide what to do by flipping a coin.	<input type="checkbox"/> <input type="checkbox"/>
8.	A. It's hard to know whether or not a person really likes you. B. How many friends you have depends upon how nice a person you are.	<input type="checkbox"/> <input type="checkbox"/>
9.	A. In the long run, the bad things that happen to us are balanced by the good ones. B. Most misfortunes are the result of lack of ability, ignorance, laziness, or all three.	<input type="checkbox"/> <input type="checkbox"/>
10.	A. Many times, I feel that I have little influence over the things that happen to me. B. It's impossible for me to believe that chance or luck plays an important role in my life.	<input type="checkbox"/> <input type="checkbox"/>
11.	A. People are lonely because they don't try to be friendly. B. There's not much use in trying too hard to please people; if they like you, they like you.	<input type="checkbox"/> <input type="checkbox"/>
12.	A. What happens to me is my own doing. B. Sometimes I feel that I don't have enough control over the direction my life is taking.	<input type="checkbox"/> <input type="checkbox"/>



Personality Traits That Impact How People Respond to Change

The following types of personality traits (personality preferences that impact behavior) usually determine how people respond to change in the workplace. People may have several traits, but often one is dominant. In the five examples below one may jump out at you, or you may be a cross-section. What is interesting is that sometimes others see us differently than we see ourselves.

The point of introducing these five traits is that when organizations change people cope with the change differently. For an organization to be successful it needs each person to process the change and become productive.

The list below does not define personality; it only points out traits a person may have when faced with change – large or small:

Avoiders — These people don't like any kind of change. They hide, fight, and resist any change. These people don't look for change, thus they get hit hard when change occurs in the workplace. They can become challenging for any change management project; they want all the facts. Others, however, don't like defending their beliefs.

Coaching Tips:

- a. Coach and promote emotional intelligence.
- b. Teach assertiveness questioning to develop core competencies for self-care.
- c. Assist this group with a professional EAP program when needed.
- d. Avoid mind reading this group; it's important to ask safe and open-ended questions to obtain information that's important.

Out of Tuners — These people appear to be onlookers, as they look at work as a place to sit around and get a paycheck. They tend not to pay a great deal of attention to what appear to many as obvious signs of potential change, so they are never ready to deal with or address change. It's not that they resist change; they find it hard to focus on what they need to do. They are good with routine and following set protocols for extended periods of time; they operate by a static law. It's also important to note that they are not oriented or motivated to focus on what's happening. These folks often miss the opportunity for career advancement.

Coaching Tips:

- a. Be patient with them.
- b. Help them see the new routine as fast as possible.
- c. Help them stay focused and in tune with what's going on.
- d. Keep current information in front of them and ask them lots of questions to determine if they are processing the change.

Old School — These people operate in a reactive style. They don't change until others have changed and they start to notice they are falling behind, so they create a knee-jerk reaction to try to catch up. They can appear to be very resistant to change. They may also appear angry when presented with an ultimatum. When they don't feel in control they can shut down or over-react quickly. This group is often seen as becoming locked in their thinking.

Coaching Tips:

- a. Ensure that they have resources to talk to. They often need time to process information.
- b. Help them to understand the consequences of resistance for themselves.
- c. Coach them as fast as possible as to what their role will be within the organization.
- d. They need honesty and consistency so that they can trust the system.

Visionaries — These people are consistently studying where change is going to happen and how they can be a step ahead. They look at change as an opportunity and find it exciting and an adventure. These are the folks who promote and push for change, though they sometimes forget about the now or the actual change, as they may be too many steps down the road. These folks can be intimidating to others who don't know how to take people who want change.

Coaching Tips:

- a. Help them understand that all people do not see things as clearly as they do.
- b. Coach them to not judge others.
- c. Encourage them to be patient and let people find their own solutions as much as possible.
- d. Support them in the importance of being present and to stay connected with the now, regardless of how dynamic they appear to be.

Benders — These are the rubber people. They are flexible, able to be like a chameleon, and change to fit the workplace. They are happy-go-lucky most of the time and are happy to be of service to others. They may not always like the change, though they are more oriented to get along with others and systems than to fight them. People often wonder how they keep so calm and composed.

Coaching Tips:

- a. Coach them to know it's OK to have an opinion or view on a matter.
- b. Encourage them to ask questions so that they are making changes based on clear facts, not emotions.
- c. Help them establish their core values and beliefs.
- d. Promote the need to be congruent and honest with themselves at all times.

From the above five personality traits, evaluate who you are in regard to addressing change.

Which ones best fit you? Which one is dominant in your organization?

How do personality traits impact the way people cope with change?



Understand that all of these can act as a double-edged sword, meaning they can be positive or negative. The point of this activity is awareness that we all deal with change individually.

The world will not stop for us; we will always have endings and opportunities for new beginnings. Thomas Edison, who made 10,000 attempts before he perfected the light bulb, obviously took every attempt not as a failure but as an ending of one try, collected the learnings, and moved on to the next attempt. He never thought of his disappointments as failures; he saw them as profound learnings that were

In 513 B.C., Heraclitus of Greece observed, "There is nothing permanent except change."

motivating and of value. He focused on his belief system and kept his vision. To adapt to change, we need to be mindful of where we really want to be, and with communication, passion, desire, focus, and determination we will always be able to find some positive learnings in any change. It may take a long time; however, if we are willing we will find them.

Perceptions, beliefs, and thinking impact how we process the world; our personality influences these variables. Insight is critical to understand how we see the world and how others see and process it differently than we do. We need to have respect for individual differences.

Action Plan for Change

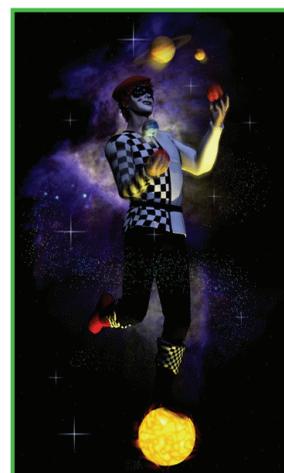
When faced with a challenge in life, consider the following plan of action (see Form 1-1).

1. Define and write out what change has occurred.
2. Ask two close friends to help you with your explanation, to get accurate feedback so you stay with the facts and see the change for what it really is.
3. Review the gap between the ending of the old and a new beginning and recognize what your personality style is and what choices you have.
4. Once you have determined where you are in the gap, ask yourself the following:
 - a. Where am I now?
 - b. Where do I want to go?
 - c. What do I need to get there?
 - d. Am I willing to do it?
5. Once you have established this, make a plan to close the gap between the ending and the start of your new beginning.

The purpose of any plan is to give you a direction and a focus. If you follow the above, you will be closer to a new beginning. The most important lesson with change is that we all have what Frankl called the Ultimate Freedom. Regardless of the events of life, Frankl, while in Nazi prison camps, made the famous statement, "You can control my body, but you cannot control my mind." Even in his desperate situation, with major life developments, having the traditional worth of human life discarded, Frankl showed that no matter how extreme the change, once we recognize that, in the end, we always have choice, we are well on the road to a new beginning.

As an employee, you may face many changes in your workplace, such as:

1. New roles.
2. New rules.
3. New vision.
4. New management.
5. New staff.
6. New partner.
7. New contracts.
8. New timelines.
9. New job duties.
10. New production standards.
11. New company.
12. New culture.



This list could go on for quite a while. The point is that change will happen in any workplace. The challenge is to overcome it and to be proactive with the change. The key to dealing with any change is to be aware that: 1) it will always be present; 2) how we respond to any change is our choice; 3) with proactive action we can always start a new beginning.

Because change involves effort and work, which often means new learnings, some will find it easier to get mad or depressed, or even quiet. The fact to remember is that the choice is yours. We are creatures who always try to make things better, so the employee who is aware of this will be the one who will **survive**.

Most organizations do a poor job of implementing large-scale change because of resistance within the organization. (John Kotter, 1996, author of Leading Change)

Change in the workplace will continue. Form 1 has been designed to be used as a template to self-evaluate where you are, so you know where you can go. It's also to normalize the fact that change is challenge. As Scott Peck says, "It may be easy, but not simple," meaning we know what to do, but we need to be motivated to take action and use change as a way to grow and learn. With any change, we always obtain learnings that will serve us or hurt us. We have the final choice.

Change Worksheet

Warning! Nothing is permanent. Anything in excess is a poison. And remember: Everything in business is a paradox. To be excellent, you have to be consistent. When you're consistent, you're vulnerable to attack. Yes, it's a paradox. Now deal with it! — Tom Peters in Fast Company

The following worksheet will help you sort fact from opinion and determine what you need to know and do to deal with change.

1. What do you know to date about the change that is about to occur, or has occurred?

2. What questions do you have about this change?

3. What have you been told?

4. What evidence do you have that what you are presently thinking is true?

5. What has happened so that you trust the process?

6. What are you presently doing to be proactive?

7. What would you like to get a better understanding of (questions) in terms of the change?



Form 1

Template for Working Through Change

Choice for addressing change often means challenging our:

- R**ecognize
- U**nderstand and process
- L**earning and skills
- E**valuate actions

1. Define the scope and magnitude of the change: _____

2. Where are you now in the six stages?

Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6

3.

What is it about your personality that may influence you (Avoider, Out of Tuner . . .)?

4. Break down the change into the various challenges. List a maximum of five.

Challenge 1	Challenge 2	Challenge 3	Challenge 4	Challenge 5

5. Take stock of your present reserves that will help you get through this life change:

- A. _____
- B. _____
- C. _____
- D. _____

6. What is your action plan to overcome your challenges?

Challenge 1	Challenge 2	Challenge 3	Challenge 4	Challenge 5

7. How will you evaluate your action? _____

Strategies for Managing Organizational Change

Sixty-seven percent of respondents named cultural integration as the most critical people issue and chief success factor . . . — The Economist Intelligence Unit, 2006

Promote a congruent philosophy of change throughout your organization

Change is always going to happen, but how we move through the stages of change will be influenced greatly by our personality, which takes into account our beliefs and belief systems. When faced with change we need to be able to:

1. **Promote and teach Internal Locus of Control.** Many people are externally motivated, which is a problem that your company needs to be aware of. The growth of GE in times of change under Jack Welch's leadership provided evidence that for the organization to achieve change and dynamic growth it needed each person to lead themselves effectively and balance their personal life principles so that they could align them with the company's. Welch didn't assume people had these kinds of core competencies. That's why he spent a great deal of time on development of his leaders so they could foster this common vision throughout the company.
2. **Promote and teach change management.** We can't expect that our beliefs about work will always be the same. Old habits may be comfortable; however, to adjust to the world we need to have intelligence, emotional stability, flexibility, and willingness to create new habits. Because there is a lesson to learn in every change in life, this belief system will help us benefit from change. Jeffrey Garten, Dean of the Yale School of Management, writes that vision, aggressiveness, and innovation are needed to carry the day, under the provocative headline "Listen Up, Execs: Playing It Safe Won't Cut It."

In his book *Who Says Elephants Can't Dance?*, retired IBM CEO Gerstner promoted several core leadership principles that support any change management strategy:

- Never lose sight of our strategic vision; the lack of focus is one of the main reasons for corporate failure. His point is that visions may pump up teams; however, to be effective organizations need to be smart and develop a clear strategy for achieving the vision.
- Be sensitive to the needs of all employees and to the communities in which we operate. For this to be achieved, all employees must have a clear understanding of the value and mission. It must be strategically communicated and measured for its effectiveness.



- Teams need each and every person to be committed, so that the execution of tasks and expectations can be achieved.
- His number-one principle is the concept of self-leadership. He promoted the idea that great organizations are not managed; they are led. Peak performing organizations have clear accountabilities with demanding and rewarding goals.
- Leaders can't be cold and hard! Great leaders for today are personal, have great integrity, and act in a manner that's fair, firm, and consistent. Great leaders don't bend rules or policies, because they know that this will erode their ability to lead.

Freedom defines strategy as the framework of choices that determine the nature or direction of an organization.

Change Management for Mergers (transition planning)

In the change management strategy, consider the points below in the design and planning:

- **Leadership** — Is the right leadership in place?
- **Culture** — Is there a strategy in place that will address cultural issues?
- **Rewards** — Have all questions around salary and benefits, if appropriate, been addressed?
- **Organizational Design** — Have the workforce plan and deployment been addressed?
- **Talent Management** — Has a talent attraction and retention strategy been addressed to ensure the business can maintain values?
- **Governances** — Have all policies, procedures, and authority issues been factored in and addressed?
- **HR Delivery Model** — Has leadership ensured it has in place a clearly defined process and resources to assist in implementing and managing transition?

Questions

- What does your organization do to ensure accurate exchange of information in times of change?
- How does your organization measure vertical and horizontal communication in times of change?
- How much change do you see happening over the next five years? Explain your rationale and evidence.

Four Strategies for Implementing Change Management

A learning organization is a particular vision of an enterprise that has the capacity to continually enhance its capabilities to shape its future. — P. Senge

Strategy	Description
Rational-Empirical	People are rational and will follow their self-interest — once it's revealed to them. Change is based on the communication of information and the proffering of incentives.
Normative-Reeducative	People are social beings and will adhere to cultural norms and values. Change is based on redefining and reinterpreting existing norms and values and developing commitments to new ones.
Power-Coercive	People are basically compliant and will generally do what they are told or can be made to do. Change is based on the exercise of authority and the imposition of sanctions.
New Beginning (Developed by Dr. Howatt)	For organizations to re-invent themselves they need to ensure they don't assume that employees have the core skills needed to deal with change and that the organization works to remove systemic roadblocks that prevent people from moving forward. As Deming teaches, quality is a moving target and change is the quest for quality; however, organizations need to be mindful of compliance vs. competence. Leadership must also be clear of the risks and costs of disengaged workers when change is not managed.

Which of the four models looks familiar to you in regard to the organizational change you have experienced?

The first three strategies have been adapted from Bennis, W., & Shepard, H. (1956). A theory of group development. *Human Relations*, 9, 415-457.



Five Core Competencies Needed for Change

Below are five core competencies needed to navigate in the ongoing process of change management. Each is important for leaders to assess.

1. **Political Skills.** All organizations are political by the fact that they all have an ingrained social system and culture. Of course, you have a unique culture in your company, though to influence change you also need to be sensitive to the political climate within.
2. **Analytical Skills.** Those who are leading the change need to have great expertise in analytical skills such as workflow and financial analysis. It's critical that organizations take the preparation time needed to analyze the impact of change vs. the status quo and to have clear tools to measure the impact financially.
3. **People Skills.** It's paramount to also manage the foundation of your company: its human capital. From a knowledge management perspective it's also important to be aware of the talents and skills of the workforce. Leaders need strong people skills to facilitate change and a sound HR strategy to implement change.
4. **System Skills.** Organizations need to be aware of the two kinds of systems – open and closed – and their impact. Closed systems can be roughly described as those that don't learn and will not change on their own. In open systems, such as the General Systems Theory, people, organizations, industries, economies, and countries work together in a competitive environment to stay in business.
5. **Business Skills.** Leaders need to understand their business and how it works for the organization to be successful in any change. Leaders need to have a grasp of the variables that make up a business, such as marketing, products, members, sales, buying, hiring, and firing.

Questions

Answer the following two questions for each of the five areas.

- What processes are in place to assist leaders to develop?
- How do you personally score in the above skills?

Partnering With Employees

I am not creating anything by myself. I am standing on the shoulders of giants. — Sir Isaac Newton

Whatever your change management strategy, involve your reports in the change process. Fear and lack of information are often what cripple many employees from being able to effectively process and move through change. Gather intelligence as to what the issues are around any kind of organizational change. Be detailed, and avoid asking just your favorite report.

Below are several questions that leaders may want to ask. From there they will be able to better understand the design and groundwork for building a solid foundation. The content in this section will provide some common frameworks often used to build effective and successful partnerships. However, step one is to clearly understand the culture paradigm around change that occurred or which may occur in the future. Also, it's important to take the word change and attach it specifically to what is changing.

- a. What changes do you see coming for your organization?
- b. What is the driving force for these changes?
- c. What action plans do you have in place to deal with organizational change?
- d. What is a common fear about change?
- e. What can employee partnerships do to deal with change effectively?
- f. What is your organization's definition of change management?
- g. How is your organization going to communicate change vertically and horizontally?

The above list is not exhaustive; the point is that change takes time to explore in terms of impact. To build a partnership it's important to understand the partners' current frame of reference and model of the world. This will take research and energy to be accurate.

Research suggests that 60% of employees are productive 60% of the time. Change that is not clearly understood will impact the overall ability of your organization to develop congruent and positive partnerships. It also will promote and encourage a proactive workforce to work to its full potential.



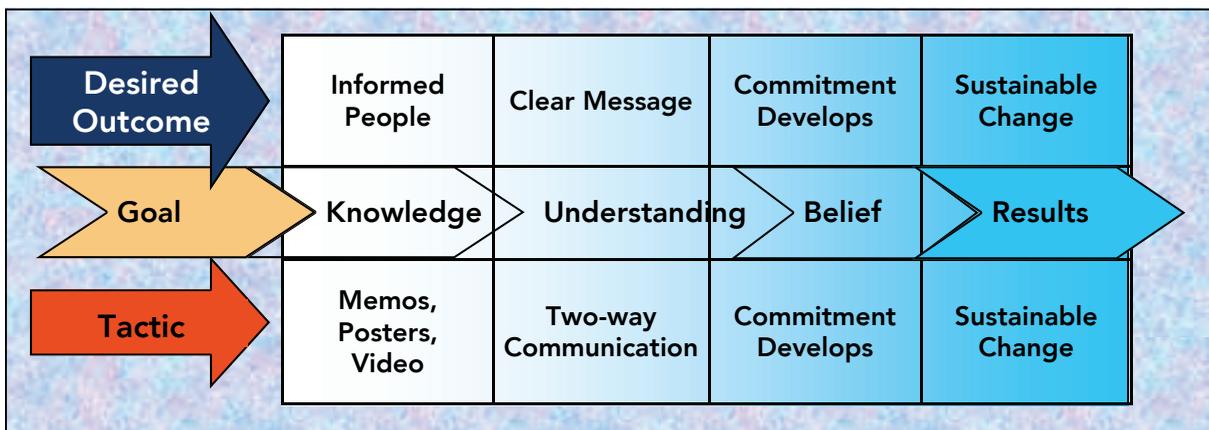
Implementing Change Management Solutions

Considerations for designing a change management strategy:

1. **Expertise** – Does your organization have the expertise in-house to oversee the change? If not, bring in the expertise.
2. **Target Population** – Clearly determine who will be impacted in the organization.
3. **Risks** – What are the risks? Do a thorough risk management assessment.
4. **Resistance** – The amount of resistance will determine the kind of strategy an organization may choose to implement the change. How will it be addressed?
5. **Timeframe** – Similar to resistance, the length of time the change will take will impact the strategy.
6. **Dependency** – This is an age-old juggle. The matter of who needs who the most in the change will impact the perception of how the change is dealt with. For example, who needs each other the most to agree so the change will work: management or front line employees? This is a sensitive juggling act.
7. **Proactive Development** – Most employees lack the core skills of being able to deal with their own lives. The amount of sick time and illness in society is clear evidence that organizations that assist their employees to develop core competencies (e.g., communications) are much more effective overall in dealing with change.
8. **Communication Strategy** – How and what will be communicated, and why?
9. **Leadership Approach** – What role will leadership take?
10. **Crisis Management** – How will crises be managed?
11. **Change Management Milestones** – What are the measurable milestones and how will they be measured?
12. **Champion** – Who is driving the change (e.g., CEO)?

Engaging Change

- Describe why the change is needed and the specific changes that are required. Leaders must promote the change, even if they don't agree with it.
- Ask for reactions; listen, but don't judge.
- Clear up any misunderstandings or questions and acknowledge any objections.
- Reinforce the need to meet the goals that prompted change.
- Involve employees in the change. Ask for ideas on how to meet the goals, while making the change go as smoothly as possible. LISTEN — they may have some great ideas. Keep the conversation focused on problem solving. If someone complains, reiterate that you are committed to the change and ask the group how the complaint might be handled.
- Agree on what ideas to implement. For example, an approach that is 80% efficient and has agreement from employees will likely be more effective than an approach that is 100% efficient but has no agreement.
- Ask for support and commitment for the change.
- Follow through by monitoring the plan and reinforcing progress. Deal with findings through positive reinforcement or corrective action, as appropriate. Look hard for little successes and give positive recognition.
- Be perceived as acting and doing, consistent with your message (see the Communication Model for Change below).

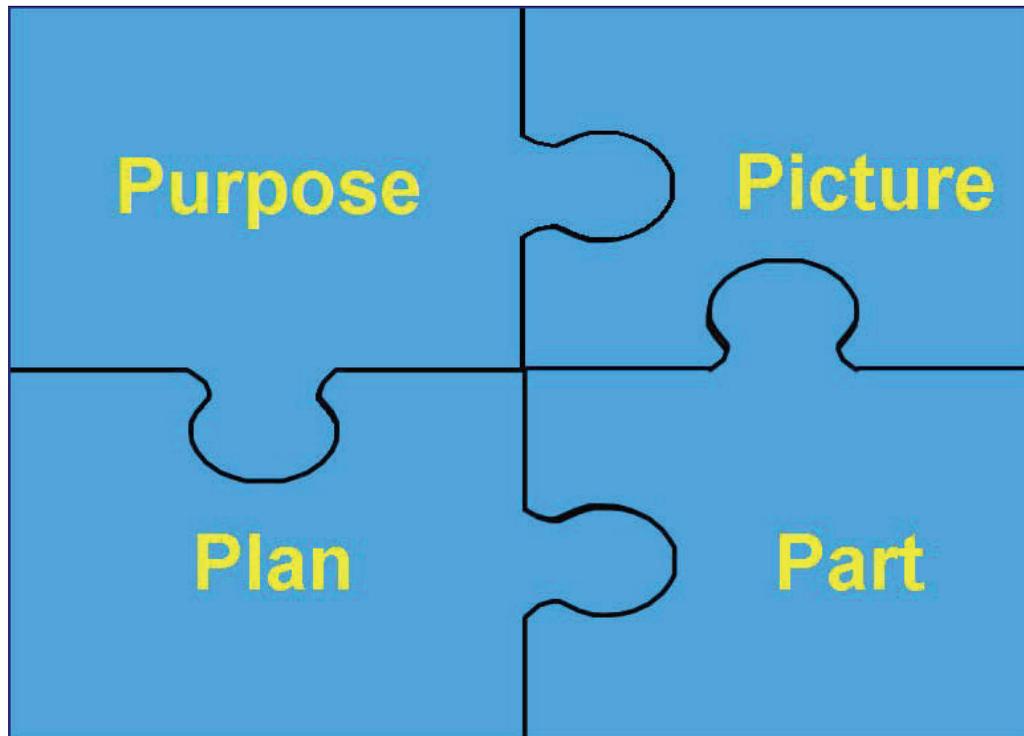


Communication Model for Change



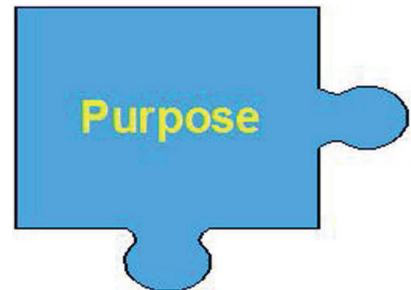
Bridges and Mitchell's 4Ps Change Model

To be a change agent, you can help employees through change by using the principles of the 4Ps Change Model.



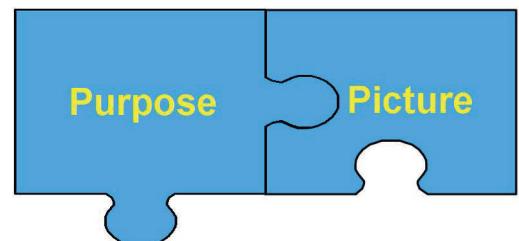
Purpose

Explain the basic *purpose* behind the change and the desired outcome. People have to understand the logic and rationale before they will be able to process it and move forward.



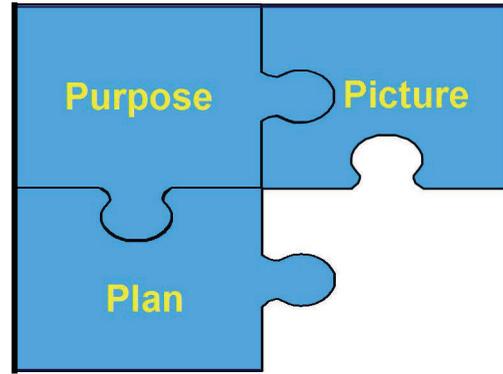
Picture

- Paint a *picture* of how the outcome will look. People need to experience it visually so they can understand it.
- Help employees see all the potential positive opportunities at the onset of change
 - ◇ Have clear and open communication
 - ◇ Ask for their input
 - ◇ Set goals and hold people accountable



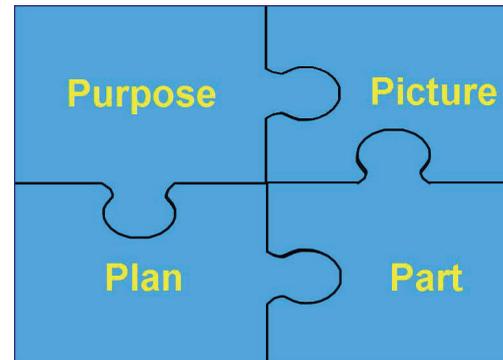
Plan

- Lay out a step-by-step *plan* for phasing in the change. People need a clear idea of the direction and how they can get to where they need to be.
- Involve people in planning for the transition. People often cope better when they have had input.



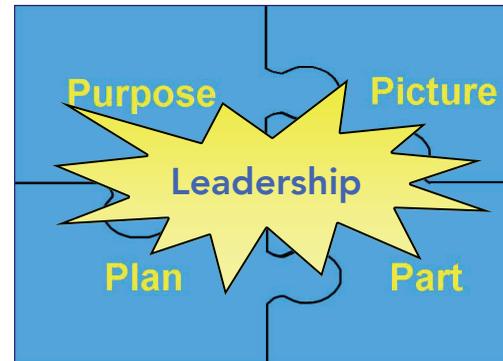
Part

- Give each person a *part* to play in both the plan and the change. People cope with change more effectively the majority of the time when they have a tangible and defined input.
- Encourage them to be solutions-focused, not problems- and crisis-focused.



Leaders Role Model by:

- Keeping an optimistic attitude
- Listening to what people have to say
- Empathizing
- Offering to help people if they are struggling. Most people fear change but it affects each one differently
- Being patient – all changes take time for adjustment
- Making time for people



The 4Ps Change Management Form

Date of meeting: _____

Participants: _____

Purpose (Indicate the purpose and significance of the discussion; include the logic and rationale for the change, including any relevant background information.) How will the change be introduced? What background information needs to be shared?

Picture (Paint a picture of how the outcome will look.) How will people likely be affected? What concerns and risks are there? How will concerns be addressed? What positives or opportunities are there?

Plan (Discuss and seek ideas for implementing change.) Identify ideas for implementing change and identify what to say to encourage people. Ask the team for ways to implement the initiative that would work best for them. Identify resources that may be needed. Set timelines and measures.

Part (Agree on specific actions to be taken to implement the change.) Identify who will be responsible and accountable for the actions, as well as implementation/rollout timelines and additional information and resources if necessary.

Close (Identify highlights of the implementation process and check for commitment.) Summarize the implementation process and what will happen to obtain commitment to the change. Let the team know how follow-up will happen.

Motivating Employees

Organizations are learning that in the good and bad times, in the profitable and lean times, one consistent factor is that they always need motivated and productive employees.

Below are some best practices for motivating employees. These are the kinds of behaviors that increase the **TRUST FACTOR** in employees. Money, bonuses, picnics, t-shirts, etc., only get you so far; to get over the top, consider the following. They take time and effort, though what doesn't? The outcome will be more productive, happier, and healthier employees.

1. Three helpful communication considerations for leaders:
 - a. Employees must know they can talk with their direct report without fearing intimidation.
 - b. Employees must perceive that their leaders will listen and respect their input.
 - c. Employees must see that some of their communication is acted on.
2. Employees must see their company is interested in their personal and professional development. Organizations are looking more at overt training (e.g., keyboard skills, technical kinds of courses) and covert (e.g., life management training), knowing that the employee who is balanced at home is less likely to take home life to work.
3. The employee knows that there are clear rules and expectations that all are treated firmly, fairly, and consistently.
4. Variety is important to employees. For the most part, they like to have different duties and are not stagnated in dead-end repetition, with no perceived opportunity to do different tasks and jobs.
5. Employees are connected to the relevance of what they do. They are able to see their role in the big picture and can associate the pride factor and meaningfulness of what they do for their employer, so they feel a sense of ownership vs. entitlement.
6. Employees have as much control over their jobs as they can, such as setting their own hours and making decisions. Employees need to feel they are making decisions so that they can feel more accountable for what they are doing. Employers in some cases will need to be creative in how they help employees get some sense of this tip.
7. Employees perceive that they have supportive relationships with their direct reports and superiors. They see the organization as a team, not an *us vs. them* place of work.
8. Employees perceive they are involved in a useful feedback system and that their employer follows through on employee planning and development. Feedback needs to be meaningful and authentic; it can't be looked at as an exercise or drill.



9. Employees are a part of the planning process yearly for their company's vision, goals, and expectations for performance. Each employee must believe that they are a part of the process, to reduce the number of disconnects and to keep the organization alive and vibrant.
10. The organization has leadership succession plans to develop talent from within to increase the loyalty factor. Strategies such as leadership development for as many employees as possible, mentoring programs, and internal and external coaches are needed. The goal is to create a learning leadership organization of highly motivated and productive people.

Final Bonus Tip – Under-promise and over-deliver to your employees – always!



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Case Studies

If you don't have a situation that's present in your life that you want to practice with, feel free to use one of the following case studies:

FRED FEARS FIRING

Fred has been working with the same firm for the past 15 years. He's been told that there are going to be some changes in technology and that his role is up in the air. At this time, the organization is not telling him one way or another if anything is really going to happen.

He's facing some real fear that he may be let go. He's in shock and can't believe what's happening; he feels he's powerless and has no control. His direct report finds he's very negative, and doesn't know what to do with him.

Your manager comes to you to ask if you can help Fred or he may get fired.

Task:

To take Fred through the change model and help him make an action plan.

DEBBIE'S BIG DECISION

Debbie is in a relationship that she knows is not working out for her. She wants to make a change and move on with her life. However, she's afraid of the change that may happen, and the potential for anger and conflict.

She heard that you have learned a change model and wants to know if you can help her define some of the considerations that one needs to take into account when making major life changes.

Task:

To help Debbie become aware of her change model and to assess her personality. Then to help her understand models for improving communication and reducing conflict.



Employees' Organizational Change Success Checklist

The real voyage of discovery consists not in seeking new landscapes, but in having new eyes.

— *Marcel Proust*

- Have a change model.
- Have a clearly defined problem-solving model.
- Am interested in just the facts, and avoid gossip.
- Have a process for creating new personal and professional action plans.
- Understand the grieving process.
- Have a wellness model in place to help offset any stress issues.
- Have a mentor or coach to help me navigate the new landscape.
- I look for the niche and opportunity for me in change.
- Am aware of career transition models.
- Have my portfolio and resume current, so that I can sell myself more easily if I have to move to a new department.
- Have a clear mission and vision statement that will help keep me congruent to my life values.
- Am aware of the impact of change on my family, and work to isolate any negative impact.
- Surveyed what new education and training I will need to be effective within the change.
- Am clear of any necessary upgrading, to be clear as soon as possible of the process and strategies, in terms of timelines.
- Work with my direct report in a supportive and proactive manner.
- Have a clear personal development plan.
- Understand that change is a process, and am patient with myself.

Wellness and Leadership In Times of Change

By Bill Howatt
© 2001

In today's economic whirlwinds and free-falls, many are experiencing first-hand the impact this may have on their sense of employment. The purpose of this mini-discussion is to explore the impact of change on our ability to take care of ourselves in terms of both our health and personal leadership. The desired outcomes are to explore what we can do to help ourselves in these times of change.

King Whitney Jr., president, Personnel Laboratory Inc., stated, "Change has considerable psychological impact on the human mind. To the fearful, it's threatening because it means that things may get worse. To the hopeful, it's encouraging because things may get better. To the confident, it's inspiring, because the challenge exists to make things better. Obviously, then, one's character and frame of mind determine how readily he brings about change, and how he reacts to change that is imposed on him." – *Wall Street Journal* 7 June 67

Most of us have at one time or other experienced the realities of change. Some may not use this exact word; though it's clear for most of us what it means, e.g., that things are going to be different. The act of exchanging or substituting: commutation, exchange, interchange, shift, substitution, switch, trade, transposition (*Roget's II: The New Thesaurus, Third Edition. 1995*).

For you, what does **change equal** when you think of this word in terms of your workplace?

1. Change =
2. Change =
3. Change =
4. Change =
5. Change =

In times of change, people experience some normal responses and behaviors. The biggest is fear. For example, in times of change, most decision making managers are given the nasty task of making a defined human capital plan of who will stay and who leave, if cuts need to be made. This is a fact and cannot be sugar coated. We all know that business is driven by economic realities. When change is in the air, if you are not sure, the media will tell you.

What can occur is that employees may become hypersensitive to management behaviors. WHY? It's natural to want to avoid PAIN.



The increased worry can impede a business from doing what needs to be done to be successful. There is some common thinking among employees when change is in the air:

1. Feeling that they are being told vs. talked to.
2. Not clear on the vision and the strategy to navigate the challenge ahead of the business.
3. Feeling like the hierarchical axe may be close.
4. Feeling that their creativity would not be heard.
5. Feeling a sense of helplessness to lead and make choices.
6. Having a lack of excitement for their job, and are on survival mode.
7. Feeling that everything is about the bottom line.

Employees are the business' most important assets! People are what make business. Read the creed or culture of a top Fortune 500 company; they all talk about the value of their people.

Solution: to reduce the above kind of thinking.

Individual leadership + Individual Empowerment + Individual Ownership
= Flexibility and Adaptability

Companies that work with their people to create an action plan for success that is highly creative and effective have a greater opportunity to be successful. ALL employees must perceive they are in some part involved in the solution. People want to be VALUED! Well, don't you?

Wellness Evaluation:

To be a leader of oneself or others we MUST be willing to take care of ourselves.

Consider:

1. Do you have your goals in writing?
2. Do you measure your personal and professional goals bi-weekly?
3. Do you eat, rest, and exercise on a regular basis?
4. Do you have your personal life in order?
5. Do you have a career plan in place for yourself?

Leadership Evaluation:

Most of us have heard that we must become leaders of ourselves first so we can lead others. In times of change we always have choices. To help yourself and your company it's important to have a vision of what you can do.

REMEMBER: SMALL IDEAS ARE LIKE SEEDS; THEY CAN GROW INTO BIG TREES.

Consider:

1. Do you see the big picture of your company's position in the marketplace?
2. Do you see areas where the company can improve its customer service?
3. Do you see an opportunity that could make a difference?
4. Do you have a suggestion as to how this opportunity could be achieved?
5. Do you see an opportunity for you to make a difference?

Tips for addressing change:

1. Ensure you have a confidante with whom you can decompress. It's important to be able to talk and have strict confidentiality. People are people, and they need to process.
2. Have a clearly defined health plan in action.
3. Focus on your behavior and take charge of what you can control directly. As Stephen Covey says, "Take control of your circle of influence."
4. Ask for help and direction from your peers if you think you need it.
5. Have a model that explains the process of change, so you can normalize how you feel and think.
6. Focus on enhancing your communication skills.
7. Become a proactive problem solver.
8. Look at the big picture and focus on not personalizing issues.
9. Have a skilled mentor or coach.
10. Be positive – there is no evidence that negativity ever improved a situation.



Locking Change for the Future

If you work . . . If you work for a company that doesn't look forward to change, that views change as a threat not an opportunity, then your company is failing, and it's failing faster every day. You now have competitors that will get stronger from the turbulence, and over time, they will win. — Seth Godin

Introduction

Change in corporations continues. Change is also one of the major challenges in terms of leading human capital. This brief provides leaders with a checklist of several key considerations for effectively implementing change.

One of the best lines I have read lately about change was written by John Kotter, author of *The Heart of Change*, who explains, “Change does not happen by making people think different, it happens when you appeal to the person’s heart more than their mind,” meaning that people need to buy into any change personally and own it. If they do not, change can be labeled as being a very negative experience.

Below are 10 key strategies for locking in new desired change(s). It’s important to note that regardless of whether it’s a small or large change, all of the below points are applicable. They are listed in a sequential progression.

Checklist

- 1. Decision and Outcome Established.** It’s important that the scope of the change has been clearly determined through a detailed decision-making, risk management, and assessment of needs process. Once the corporation has done its homework and has a clear picture of what the end will look like, then and only then is it truly ready to start the process for implementing effective change. In this process, the vision of where, why, what, who, and when the change will happen has been determined, as well as a strategic change map that clearly outlines the action that will be taken. Another way to look at this point is it’s where the research and the game plans are designed.
- 2. Implementation Plan.** Once the destination is determined, it’s time to start the implementation process for the determined change(s). To begin this process, leaders need to ensure they have spent time and energy preparing and designing a well thought out internal marketing campaign. The outcome of this campaign is to provide all parties who will be impacted by the change the proof, established needs, logic and rationale for the change. This process must be done with a sense of importance and immediacy. This is the information stage and in times of change that impact people’s lives it’s important to ensure that there is meaningful flow of information. Information empowers people and reduces fantasy and frustration that can create a great deal of unrest.

3. **Establishment of Change Team and Mandate.** Effective change is much more difficult without the establishment of a change team and mandate. For example, change cannot possibly happen effectively when the management team is not working effectively and has resistance within the leaders themselves. This combination will never lead the corporation to its desired destiny, as it leaves the front line personnel on an island of uncertainty. The purpose of this step is to find the talent among the present leaders who have bought in and are committed to the rationale and need for the change. They also need to be willing and motivated to be a part of the change team that will pace the changes. It's best when the change team members are viewed by the majority of their peers as competent, have a detailed understanding and awareness of the company's internal operations, are strong communicators, present themselves as being non-judgmental, have strong coaching and leadership skills, have proven themselves to be reliable and consistent over the test of time, and have a clear understanding of the change needed. Once the team is in place it needs to be given a clear and exact mandate with clearly defined outcomes, objectives, reporting structure, authorizations, timelines, and other pertinent information.
4. **Commitment to a Balanced Vision.** To have a balanced vision in place, the corporation needs to ensure it balances the following three pillars in any period of change: action steps (outcomes), interventions (how the outcomes will be obtained), and money (balancing the cost of the change process and daily operations). The three are connected; however, they are clearly different. Too often, intelligent leaders hyper focus on money and budgets and lose sight of the big picture. Change cannot be just a budget activity and the only measurement used in the change process. The proof is the number of companies that start the process of change but stop because of budget restrictions. Budgets are important; but so are the other two pillars of the vision. For change to take hold, the process needs to be fast paced and moving and have clear outcomes and objectives. Once the process starts, it's important for leaders to not become over analytical. The point is that change has a clear beginning, middle, and end. Change is a process and leaders need to be aware of the end and deal with the storms as they come. If they do, they will find the end as long as they are implementing all the steps in a logical order and hold a steady course.
5. **Proactive Vertical Communication:** The next critical step is to establish a clear and congruent process to enhance communication within the organization throughout the entire change process. The purpose is to assist employees in developing their personal motivation as this will impact the success in employee percentages to accept the change and take appropriate actions to eventually own it. For this to happen, companies need to help the process by having forms where individual questions and answers can be dealt with in real time and with precision and respect. This will help defuse anger,



negativity, and pessimism. This is where the change team is very important, as it will run these forms. Having professional development seminars to help employees develop core competences, as well as the use of internal coaching programs and EAP, are core tools for helping employees deal with change.

- 6. Address Unmotivated Managers Quickly.** Be aware of managers who are negative and not motivated for change. It's important to have a proactive plan to assist negative managers to become positive about the change. To do this, leadership needs to ensure they quickly approach the roadblock manager and provide them an opportunity to understand and take ownership for the change. If they don't want to come on board and after coaching and extended creative efforts to get them involved, the alternative may be taking away their power, which often can result in a demotion or replacement. Sending them on a course may be helpful, though this will never replace one-on-one time of meaningful and honest conversations. Any interactions must always be done respectfully. The goal is to first work to bring them on board, which very often with a little extra work can become influential growth for the manager. Leaders need to allow people to choose their destiny and move on with people who can be positive and committed to the change. The final point is that negative managers need to be dealt with. There's no alternative; they may intentionally or even unintentionally undermine a great deal of progress.
- 7. Deal With History:** Be aware of another major roadblock, such as past history, as well as what I call doubting Tom thinking, which is often referred to as the flavor of the month attitude. The key point here is to expect negativity, but don't accept it. Model to employees that the change is going to happen, that this is not talk, and you are working to build a new future, not reinvent the past. One example of where the past can cause companies a challenge is that in the change process the company will need to follow old protocols as well as new ones for a period of time until the change is in place. This may create a great deal of discussion about why this is being done. As soon as possible, eliminate duplication and unwarranted work. Employees will buy into change much more quickly when the change appears permanent. For this feeling to occur, there needs to be a clear elimination and separation from the old.
- 8. Celebrate Success Along the Way:** Track small wins and publish these wins throughout the entire organization. It's important to share success and be proud of it. Too often, good work doesn't get published and celebrated within organizations. Understand that celebrating small wins is important but does not mean the work is done. Ensure that good work gets at the very least strong emotional feedback and support. People like acknowledgement and feedback, especially when it's good news. In time of change, one of the biggest incentives is acknowledgement of value; it will

bring more goodwill than most traditional incentive programs. Whatever the company decides for acknowledgement (e.g., gifts, bonus, or employee-of-the-month bulletins), it must be done in a respectful and meaningful manner. It's normal and can be expected for wins to be easier in the early stages. Very often there's a backlash period that companies need to be mindful of and ready for. Leaders who are clear, have courage, commitment, persistence, and patience will do fine. Remember, change is a process and there will be challenges. However, focus on the wins and where you are going.

9. **Never Lose Your Focus and Desired Outcome:** Follow through and keep your focus, day in and day out. You may need to remind yourself that change is a process with a clear beginning, middle, and end. Many companies spend a great deal of energy in the early stages and lose their intensity, focus, and commitment later in the process. It's important that leaders keep the change pedal down, stay committed, and ensure that they follow the change through the entire process. This can only happen if it's made important and monitored. Getting off the ground metaphorically is only the start; it does not mean the mission is completed. Avoid this pitfall, as the fall for complacency is great! Also, when a leader follows through it helps to eliminate flavor-of-the-month thinking for the next change. Since change is always going to happen, this process helps employees understand that change that is slated to happen will happen.
10. **Lock in Change:** This simply means that there is no turning back and there are clear checks and balances to keep all employees up to speed over time. It also means that there are clear protocols to bring new employees up to speed. Change is like learning a new habit; once it starts, it takes time for it to become a habit. That is why it's important to have a process to support the human capital to deal with the change. Everyone deals with change differently, and some may not challenge it for months. With good form, consistency, time, and practice, the change will eventually be fully assimilated.

Closing

This brief provides an overview of 10 important considerations for leaders who are implementing change to help decrease the fear and frustrations that change can bring. With a model and preparation, change can be locked in effectively. These steps will save time, money, and frustration over the long term.



Change Management: Influencing Human Capital

Tell me and I'll forget, show me and I may remember, involve me and I'll understand. — Chinese Proverb

What is your change management model that addresses human capital? Human capital refers to the skills, knowledge, and capacity of a workforce. It's not only the people but how motivated and prepared they are to perform assigned roles. A change management model that deals with human capital is a strategic process that anticipates and examines how a workforce will respond to change. When organizations deem it necessary to implement change for whatever reason, be it operational, strategic, or business, for the change to be lasting and successful it will need the human capital's engagement and co-operation. For example, one researcher out of the United Kingdom reports that failed change initiatives cost UK companies \$50 billion a year.

The purpose of this brief is to provide an overview of one strategy for reducing and mitigating risk when implementing a change. Senior leaders who are obtaining a competitive advantage over their competitor understand the value and necessity for retaining human capital in today's competitive work environment. Companies need to continue to transform themselves to stay dynamic and fluid in order to survive. But to do this requires the implementation of change. Since it's evident that change will be constant due to changes in the global economy and constant growth in technology, managing change and its implementation with regard to human capital is becoming an important art for leaders to consider and master. Leaders will increase the positive impacts and reduce or eliminate the negative implications that change may have on a culture by seeking to understand their human capital.

With all change, big or small, there will be both concrete and abstract elements that will influence the transformation process and desired outcome. Concrete elements are observable, clearly explainable, and can be measured. Concrete change is the easiest element of the change process because the steps required are definable in the implementation process. For example, a team is moved to a new location. The decision to move the team may be driven by an operational need and seem obvious to senior management. The steps involved in making the move can be put on a clearly definable timeline with all of the details and action steps needed for the physical move to be completed.

However, what often stresses the change process are the abstract elements. Abstract elements are more difficult to measure with precision and include intangibles such as people's opinions, perceptions, and feelings. In addition, when it involves people's perception change may take time to be accepted and integrated. And to change the perception of people who do not agree with the change or understand it can be impossible. The result is the speed at which an entire

group accepts all change is not easily predictable. With any change there can be many forces that are at play, such as political, emotional, interpersonal, and history.

A leader who understands this will reduce their risk and exposure for failed change initiatives by implementing the best practice of adhering to the rigor and protocols of a human capital change management process. By examining the risks and rewards for both the concrete elements (e.g., business decision driven by the P&L) and abstract elements (e.g., loss of political capital and goodwill that influences the workforce's morale, productivity, and loyalty), people who feel they are valued will be more trusting of organizations that have determined a need to implement change.

Common Approaches When Implementing Change

It's not always what the change is that really matters as much as how the change is implemented. Senior leaders are in positions that they will at times have to make tough decisions that may not be popular or accepted by the human capital. However, the more intelligence and preparation, the greater the likelihood the workforce will be able to move beyond the change. Below are a few examples of how change decrees are originated and implemented. The first five increase the exposure for risk and conflict within the human capital. The final example provides a strategy for aligning human capital with change. But saying that, no process is 100 percent foolproof that change will be accepted, but having a process will decrease risk and conflict and – most important – increase the likelihood of a successful transformation. The reality is, change needs to occur for a business to maintain its competitive edge.

1. **Boss Decree** – The boss makes a decision for a determined change. It's a top-down decision that is not really a collaborative one; it's one deemed necessary by the senior leadership.
2. **Expert Decree** – Senior leaders are influenced by some expert opinion or industry best practice that is perceived will add value to the organization. This event directs and influences senior leaders to implement change.
3. **New Trend Decree** – A breakthrough in technology or a new business trend that senior leaders take on as a business driver that motivates change.
4. **New Belief Decree** – Senior leaders through self-reflection or other processes have a change of thinking and make a decision to change their plan. The result is change in the organization.
5. **Rushed Decree** – Senior leaders believe there is a force that is driving the need to react and make a change to adapt.
6. **Change Management Decree** – This is a best practice for implementing change. The following section outlines a strategy to effectively implement change with human capital.



Change Management Staircase

The following model provides a framework for a change management decree. All change can impact concrete and abstract elements that influence how the human capital will accept it. To manage change effectively, leaders need to balance the concrete and abstract elements.

During the decision making process prior to implementing a change, it's recommended to run the decision through the below five steps. Each step provides insight into how each of the two elements can influence human capital in the organization that will ultimately determine how employees will accept and embrace any change.

1. ***Change Impacting Human Capital Step*** – When making a decision based on a strategic plan, business plan, or leadership decision, the change is often concrete to the people close to the original decision. The decisions are based on what is perceived as sound logic. For the most part, these decisions are cognitive ones that have hopefully been well researched, thought out, and are for the greater good of the organization's long-term success. If not, why would the decision ever be made? It's clear of the actions that need to occur for X to become Y. Assuming this is true and the decision is well thought out, a factual, rational, and practical decision can also have an emotional element to it. The abstract element is the emotional component to any decision. It's the aspect which, if not considered, will eventually erode the morale, trust, and loyalty of the culture. When people are not educated and included in the decision making process they will eventually become detached and will focus on their survival vs. their ongoing efficiency and development.

Questions to Answer:

- a. What is the functional reason for the decision?
 - b. What are the emotional reasons why the decision may be resisted?
 - c. How will the change impact customers?
 - d. What interventions need to be put in place to help people accept the benefits of the change?
 - e. Who owns the decision and why is now the right time for change?
2. ***Human Capital Orientation Step*** – When implementing change, there is value to first consider the overall work style of the workforce. Most workforces have a culture that promotes a preference in the style that is comfortable. Two global styles that most cultures fall into can be defined as being either left-brained or right-brained. A left-brain culture is one that expects a set structure and precision when implementing a new process. A right-brain culture prefers to be flexible, with much less rigor and structure. Regardless of the style, the goal of this step is to outline the road map that will unpack all the pertinent details of what, when, who, how, where, with, why, and so forth. The goal is to outline the implementation strategy in a format that aligns with the human capital's general orientation.

Questions to Answer:

- a. What is the primary preference of the culture?
 - b. What is the plan to educate and inform the culture of the coming implementation?
 - c. How are people in the beta test group responding to the implementation plan? Get feedback and input from people who will be impacted by the change.
 - d. What is the strategy to deal with potential resistance?
 - e. How has the culture dealt with previous or similar change before and what learnings can be used to assist in this change?
3. **Human Capital Capacity Step** – Does the workforce have the capacity (knowledge and skills) to implement the change at the level of expectation? It's important to determine what the current level of capacity is and what provisions will need to be made. Does the change require any new learning? Can the change be easily taught and explained using explicit strategies? These are normally fairly economic questions resulting in an announcement of the change or even training. Is there a need to have tacit skills and experience for the change to be successful but will be more costly and take more time and effort? Tacit knowledge for companies is becoming one of their biggest competitive advantages.

Questions to Answer:

- a. Does the change require tacit or explicit knowledge?
 - b. What current tacit knowledge is accessible?
 - c. What is the explicit strategy (e.g., announcement of a new policy for standard operating procedures or a classroom training)?
 - d. What kind of budget and time will be needed to implement the change plan?
 - e. What new tacit or explicit learning will be needed to support change?
4. **Human Capital Motivation Step** – What is the current workforce's motivation for change? Sometimes a workforce looks forward to change, provided they see the benefits and value. The decision makers who are implementing change will benefit and reduce resistance when they are able to clearly articulate the primary benefits for the change. In addition, they are able to anticipate potential secondary motivations that may be either positive or negative. Secondary gains are harder to evaluate as they may not be obvious and if not anticipated and addressed can hinder individuals' motivation to accept and embrace the change.

Questions to Answer:

- a. Are there any obvious secondary benefits for the change failing?
- b. What is the primary motivation for the change and benefits to the organization?



- c. How will the workforce acceptance and motivation for the change be monitored?
 - d. Who is the champion of the change and is responsible?
 - e. Where can people get their questions answered in a timely manner?
5. **Human Capital Culture Check Step** – What are the perceived corporate values, standards, ethics, and belief in the leadership in regard to the reality — a difficult question for any senior leader to really explore and dig into. In most organizations what is believed by senior management is not the reality. Senior leaders who are in tune with change understand that a critical mission for a company’s success is to uncover the gap and disconnects and look to close the gap between what is perceived and what is real. Senior leaders who live in a glass house will eventually find cracks that are unfixable. During change if the culture is not checked in regard to the above elements the risk is the divide between perception and reality will grow. The quest to close the gap may take a senior leader’s entire tenure. But not addressing the gap will negatively impact the organization’s potential to ever achieve the ethos and enhances of the culture core philosophy that create the fabric that directly influences human capital motivation and pride in the organization.

Questions to Answer:

- a. Does the workforce buy into the corporate mission statement? If not, what appears to be the gap?
- b. What is the gap between the perceived and real culture?
- c. What may be some of the resistance by senior management to explore this gap?
- d. What is the workforce’s general belief about the corporate culture?
- e. What do customers really think about the company today and how will the change impact this perception?

In closing, it’s not always what the change is as much as how the change is implemented. To effectively implement change it’s important to take into consideration not only obvious concrete business reasons for change but also the abstract impact of change on human capital.

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