

## **Change Made Simple**

*Robert Spencer has worked on change programs over his career achieving more than \$1B in savings for clients. This article is based on a book, Change Made Simple, he is currently writing.*

### **How Change Programs Fail<sup>©</sup>**

*Six Mistakes any Organization Needs to Avoid for More Successful Changes*

Robert Spencer

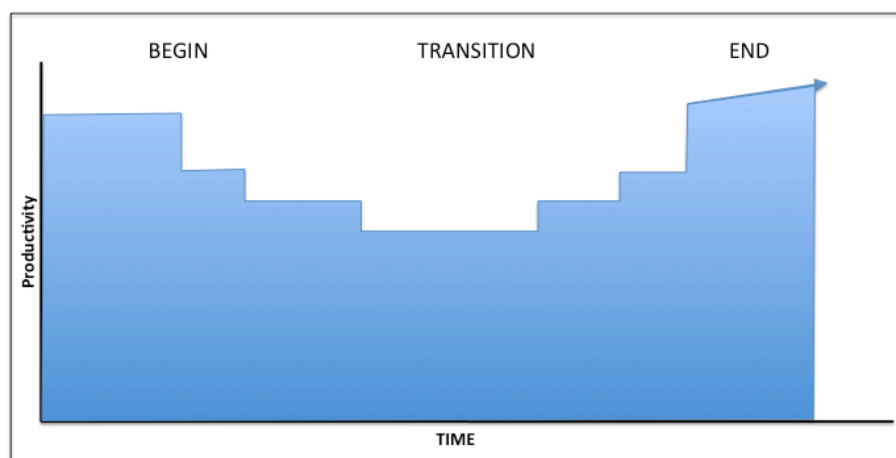
With all that has been written on how to manage change it is surprising how many organizations continue to struggle in introducing major new initiatives in their organizations. In examining the experiences of a number of organizations whose change programs have failed, there are six common mistakes that needn't have been made. Others can take advantage of these insights to improve their likelihood of success.

### **Two Underlying Factors**

Common to the six mistakes are two basic factors: too much stress or too little attention to internal politics, or both. While the mistakes can differ, organizations with failed changes often end up generating significant stress for those who need to change their behaviors. At other times, organizations ignore the social networks that exist, and serve to articulate and promulgate the real values of the organization. Together, stress and social networks serve to empower the anti-change agenda and undermine the desired change.

The reason why these factors (and several of the mistakes) are so difficult to manage is that they are often counter-intuitive, driven by the fact that the reality of the person driving the change is usually very different from that of the people expected to change. But importantly, together they also constitute both a practical and moral imperative for any change agent or sponsor.

Figure 1 below illustrates the change process as it is experienced by most project and change managers. For them, change will unfold in a logical manner as the project is begun, then user capabilities go through a transition, and ultimately the change is completed. There is nothing surprising about this ... except that it is wrong!



**Figure 1 Logical Model of the Change Process**

Why is the logical model wrong? It is wrong because change is an emotional, not a logical process that is not complete until emotional adjustments have been made. Figure 2 provides a view of this. The process becomes emotional as people who are expected to change experience a loss of the way things used to be and wrestle with all of the insecurities or concerns that arise as they attempt to master something very different. Figure 2 clarifies this process.

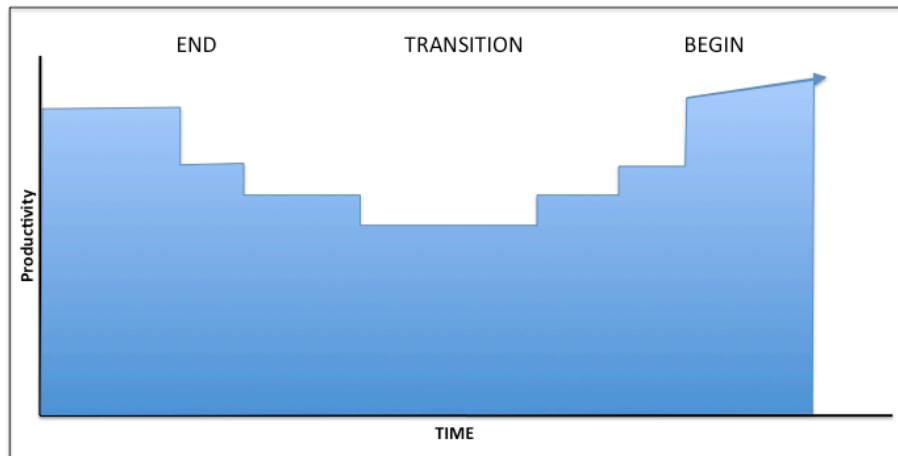


Figure 2 Emotional Model of the Change Process

How does this insight about emotions relate to the issues of stress and social networks? First, the change process itself is very stressful and intensifies the emotional impacts experienced by those expected to change. And as stress increases, the power and influence of informal social networks in the organization are increased. Importantly, since these social networks define how work is actually accomplished within the organization, they can easily undermine the change and thwart expected results, especially over time. Figure 3 illustrates some of the common factors that come to play and how they undermine productivity.

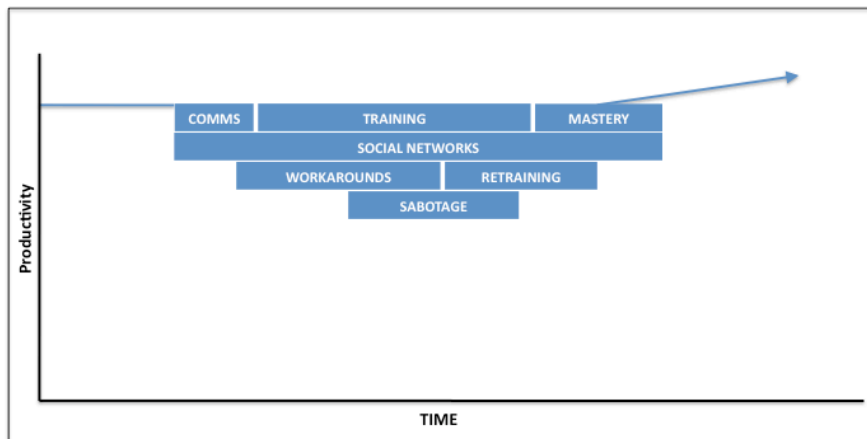


Figure 3 Factors that Erode Productivity

The implications? Successful project managers make controlling stress and engaging social networks a priority. They then work diligently to help themselves and executives within the organization avoid the six common mistakes unsuccessful changes commit.

### **Mistake 1: Focusing on the Top Team**

Most major change programs start with substantial discussions among senior leaders of the organization. When done well, these discussions focus on a careful consideration of best practices and the achievement of alignment, especially among members of the top team.

From a logical change perspective this makes a lot of sense because key leaders should have a shared vision of the changes to be made. They have the power to start change programs and enforce endings for those in their portion of the organization.

Further, senior leaders often also reach out to people they believe to be influential in their departments to help them frame the changes ahead. Typically these people are members of their leadership teams and have a history of supporting change efforts that the department head has sponsored in the past.

But power within an organization is both conferred (positional) and derived (measure of influence). It is conferred to positions but is most forceful when derived from those being led. Importantly, the people that others in the organization work with routinely to get things done are most often located across levels, often quite removed from those with formal authority and, hence, unknown to them.

The most effective project and change managers take time to understand who influences whom within the organization so they can enlist the aid of those with informal or derived power. These people, in turn, may experience significant endings that are personally threatening and, perhaps worse, disrupt workflows and organization wide performance. The key though is not to co-opt people in the informal social networks but to restructure or mitigate impacts that might compromise work relationships and results during the change program and after.

How is this done? Most successful organizations treat this as an empirical question. Consider the organization that started its change program by surveying its people to find out “who has the best understanding of how work is done here?” This provided a list of candidates to serve on a special change advisory committee to the executive team. Working with executives and their consultants the advisors contributed to the initial design and later the preparation of employees in the organization for implementation. The result: broad support for the change and a 10% increase in the benefits in less time than was expected.

### **Mistake 2: Emphasizing Motivation**

Most sophisticated leaders and their consultants like to kick off major initiatives with a great deal of enthusiasm and excitement about the value of the likely results. Characteristic of this behavior is a one-way ‘dialogue’ that emphasizes the leader’s point of view concerning the promised results and importance of the initiative. Often this further manifests itself as placing a premium on the leaders themselves to be ‘cheerleaders’ for the change program; in other words, leaders who are adept at promoting and selling the change. “Heck, everyone should want to do this!”

Compounding this tendency is the positive response it typically elicits. Certainly any project team worth its salt will respond positively, and often the top couple of layers of the organization will mimic this, especially if the political winds are blowing in that direction. When the leader is concerned with the possible response, those closest to her or him can be powerfully reassuring.

The problem with cheerleading is that it is rooted in the logical, not the emotional model, of the change process. Because there are benefits, people should logically want to be supportive, and may be intellectually. But when we look at communications from the standpoint of the emotional process it is clear that something is ending for many people and this suggests that at some point they will experience a sense of loss and personal concerns if the change is significant.

Looking deeper into who wants to change the most, you typically find the people who are most enthusiastic about a given change are: new to the organization (<5 years) or their role (<2 years), have already transitioned to a project role, and/or have no clear influence in existing social networks that determine how things get done. In other words, people in the organization (or among its consultants) who have little to lose or change will tend to be the most enthusiastic. This phenomena was captured well by Norman Mailer when he observed, "A person only becomes a conservative when he has something to conserve."

Instead of cheerleading, the most successful leaders engage in change conversations. Do they still allow themselves to be positive and enthusiastic about the change – certainly. But instead of delivering a monologue, they engage in a discussion about what in fact may have to end with the new initiative. Further, they also recognize that defining endings involves a discovery process and patience; they allow time and provide different avenues to surface concerns, and allow people to change their minds as their personal understanding evolves.

Successful managers understand there are different communications styles and use this knowledge to tease out what is happening to people. As an example, consider the experience of one turnaround manager in trying to increase employee productivity. Once she had shared the business imperative, she then reached out to employees and line managers to get their views on the obstacles and opportunities. Instead of focusing the discussion on where she wanted to go, she engaged others on what needed to be done and how best to resolve what were sometimes chronic delivery problems. She respected their views and the way they presented them, making her change an opportunity to create engagement and a dialogue. The result: in four months she was able to institute change initiatives that increased throughput by over 40% and even had shop stewards sharing their ideas for ways to get further improvement.

### **Mistake 3: Avoiding Resistance**

Another common error is to presume that resistance is undesirable and even a sign that a change program is somehow failing. Leaders are especially susceptible to this and will often lock themselves into the view that minimal resistance is a sign of success which, in turn, creates a climate where issues and concerns, as negatively tinged, become unwelcome.

This, again, seems rooted in the logical model which presumes that the first thing we should see is people engaging with the change (i.e., the 'beginning'). On this view resistance is a sign of failure because it, one, reflects a focus on the past instead of the future and, two, is emotional. Unfortunately, a negative reaction to resistance usually does more to drive it covert and empower informal social networks, which become the last refuge for those with concerns to express.

Overlooked in the logical view of change is the role prior success plays in generating resistance. Usually the most profound endings have a close relationship with prior successes and personal self-concepts. Changes, hence, can make future and continued success more doubtful since the future is always uncertain and there can be a great deal of uncertainty about an individual's ability to master the new. The challenge becomes helping people understand both how the organization will be more successful and how they themselves will be successful.

When change is viewed as an emotional process, resistance becomes your friend. Why? At a minimum resistance indicates that the people impacted understand that something is ending for them. (Please note that social networks often gain strength by reassuring people that a change

will not in fact have staying power – e.g., “It’s just the flavor of the month,” they reassure others.) With this recognition, presuming you probe enough, the root causes of impacts and endings can be deduced and ultimately addressed. If not, change concerns will create a specific gravity that anchors people in the past rather than in the desired future. This is the essence of change conversations – being patient with concerns and recognizing resistance as a natural phenomena that when understood can suggest effective mitigation strategies.

Successful organizations treat negative change reactions as a natural phenomenon to be managed to maintain productivity. Consider, for example, the organization that was consolidating operations from six areas to a more central location. The change would significantly reduce the cost of the operation and strengthen the financial performance of the organization. But this change required personal relocation and this generated a strong and negative response from employees. The result: when the organization decided to share some of their savings to help fund the relocation, employee morale and productivity improved overnight and the company also avoided a significant recruitment and retraining expense.

#### **Mistake 4: Too Much Productivity Loss**

Most organizations have no idea of how much change they have underway at any point in time, let alone the results they are getting. The chief challenge seems to arise from the annual planning and budgeting process where managers throughout the organization set objectives that often entail change projects. For example, the corporate safety department may be planning a vehicle safety awareness program, while HR is revising the performance management process, and the customer service department is rolling out an enhanced website. For the employee in customer service, this means there may already be three major changes underway before a major reorganization program is launched.

Experience suggests that the number of changes underway in any organization, when properly catalogued, average around 2.5 to 5 per 100 employees in any given year. For every sponsoring manager, in large part due to the role this plays in her/his annual year-end compensation, the most important initiatives are the ones s/he is pursuing. For employees, however, the impact can be immense. As time is diverted to mastering the new (e.g., in attending training or briefings), there is still pressure to maintain the flow of work, even if 25% or more of the productive capacity has been lost!

Daniel Goleman once suggested that “Stress makes people stupid” and by failing to regulate the amount of change expected of people throughout the organization, key leaders often undermine their own investments. Employees who are worried about the work piling up while they are in training, will not master the new skills required and likely as not will need expensive retraining. Worse, every change represents an investment of productive time – when these are not tracked and the resources provided to make the change efforts a success, results can take three to four times longer to achieve!

Effective project and change managers will tend to leverage the social networks that exist to hold the volume of change in check. They understand who makes things happen in the organization, regardless of position in the hierarchy, and enlist their aid in controlling demands on employees and their managers. They also review planned changes to ensure results are not put at risk or sacrificed to pursue volume. Indeed they may even have a dashboard to monitor drains on productive capacity and ensure results are delivered on schedule and on budget.

Successful organizations understand the change process and the advantages of controlling productivity declines. As an example, consider the organization that created a map of the changes underway and the amount of the reduction in productive capacity. This became a topic for discussion at regular executive meetings and the timing of various initiatives was strictly controlled. Leaders were then able to present revised expectations to employees that made it

possible for them to keep up with demands. The result: reduced stress and minimal retraining requirements, at the planned resource commitment levels.

### Mistake 5: Poor Sequencing of Changes

Even the most modest initiative can appear to people expected to change, as actually multiple changes. For example, a re-organization might include a change in: co-workers, supervisors, work processes and systems, training, performance management metrics, and maybe even work location or location attributes.

Not all of these, however, will be equally disruptive and some may even be supportive. For example, a team may be frustrated in a reengineering program in which their supervisor no longer understands the work processes but by retraining frontline managers they can then be more supportive and the process changes less disruptive. This example illustrates a common mistake that organizations make by treating supervisor training as less critical than employee training but when employees know more than their managers it makes training more disruptive than supportive. Where supportive changes can be framed and implemented in advance of disruptive changes, the improved sequencing can serve to reduce resistance and concerns. Figure 3 illustrates areas that commonly produce disruptions and supportive changes.

Supportive	Disruptive
Adequate Resources & Time	Culture Changes
Resolving Problems	Performance Management
Input & Participation	Employee Training
Leadership Development	New Technologies
Recognition & Rewards	New Processes
Reinforcing Social Networks	New Roles & Organizations
User Coaching	Communications

Figure 4 Examples of Supportive & Disruptive Changes

Of course, viewed from the perspective of the emotional change process, understanding whether a change is supportive or disruptive is an empirical process – i.e., it is a matter of what those who are required to change think, not the project or change managers. By exploring the attributes of each change element and sequencing them appropriately, stress is significantly reduced and resistance controlled.

Successful organizations plan their changes as a potential sequence of projects from the employee perspective. As an example of how this can work, consider a trick that project managers introducing remote dispatch tools often use. One of the sources of concern (i.e., disruptive element) of such projects is the GPS capability that lets dispatchers and supervisors know exactly where their employees are. “Big Brother,” becomes the common complaint and rallying cry of the social networks. But when such programs add job site reporting (i.e., allowing employees to commute directly from home instead of to a headquarters), work groups suddenly can save one or more hours a day in personal time. The result: consider the company who introduced the intention to allow worksite reporting from home (a supportive change) in advance of discussions of the more disruptive change element (i.e., GPS tracking) – while union leaders expressed concern, employees over-ruled them to take advantage of the significant increase in personal time.

## **Mistake 6: Too Little Leadership Continuity**

Finally, the most common mistake organizations make is to change their horses before their race is even near the finish line.

This issue can manifest itself in two ways: changes in the top team after the change program has been launched or a key sponsoring executive leaving before a change has been institutionalized.

The first scenario is usually triggered by dissatisfaction of the sponsoring executive (or sometimes the consultant advisor). Here frustration grows with the performance of members of the executive team and, in an effort to make the change program run easier, resisting leaders are replaced (although often from the outside, it doesn't seem to really matter if it is from an external or internal source). The problem this presents is a loss of continuity and the understanding of considerations that led to certain decisions. Even if you could properly orient the new member(s), it is almost impossible to get the new member(s) to abide by former decisions without some kind of course correction. Unfortunately, even the slightest adjustments can prove stressful for people in the organization, and this again tends to strengthen informal social networks and slow things down.

Under the second scenario, the initiating executive either retires or leaves to take a position elsewhere. This has the immediate impact of taking pressure off that was driving the change program. Any reservations or concerns her or his team has had suddenly get voiced and the changes fall under reconsideration, usually leading to some reversal. The loss of momentum in such cases is often immediate, usually with the support of social networks that the prior leader ignored. The cost to the organization in terms of change capability and misspent investment in the prior change agenda can be huge.

The best change programs are characterized by sponsoring executives who, in the words of Jim Collins, get the right people on the bus before starting the journey. Similarly, the most effective executives realize that the end game is what is most important in any change program, because it is only through institutionalizing the change and related capabilities that outcomes will be sustained over time and allowed to ultimately prove their worth. This does not require a spirit of selflessness but instead a laser like focus and determination to get results 'as advertised'.

Successful organizations use change as a crucible of leadership and reinforce major initiatives with their succession planning. As an example, consider an organization that did exactly this. A high potential manager was assigned project management responsibilities and worked directly with the top team on the program's implementation. At the conclusion of the program, he was then promoted to the top team in a vice president role. The result: the continuity of leadership helped sustain the change results and overall support for further changes in the organization.

## **Conclusions**

The most successful initiatives consciously manage stress and derived, not just conferred, power. Along the way they engage in many best practices (and avoid related mistakes). They leverage informal social networks to get widespread engagement and make change happen. They create change conversations to understand, and wherever they can mitigate, the impact of things ending. They have emotional intelligence and view resistance as both natural and helpful in leading their organizations through the change process. They also sequence elements of the change program to enhance the sense of support so disruptions seem less sensitive and divisive. And they control the volume of change in the organization to maximize results, instead of activity. Finally, they stay the course, meaning they staying personally connected with the changes they launch until results are achieved and sustained.

These are not easy actions to take and may at times seem counter-intuitive (e.g., isn't it important for people to want to change?). But ultimately the fastest route to change success is in avoiding the mistakes that commonly undermine the efforts of others.