Advancing Improvement & Innovation

Managing Change

Tara Telfair
October 15, 2008
...COMPANIES MUST LEARN TO EMBRACE CHANGE.

UH-OH. IT'S ANOTHER MANAGEMENT FAD.

WILL IT PASS QUICKLY OR WILL IT LINGER LIKE THE STENCH OF A DEAD WOODCHUCK UNDER THE PORCH?

I THINK WE SHOULD DO A "CHANGE" NEWSLETTER.

WOODCHUCK.
Classic Model of Change

- Present State
- Transition
- Desired State

Unfreezing
Refreezing
A Warning...

I am convinced that if the rate of change inside an institution is less than the rate of change outside, the end is in sight.

John F. Welch
Former G.E. Chairman & CEO
Challenge of Resisting Change

“This ‘telephone’ has too many shortcomings to be seriously considered as a means of communication. The device is inherently of no value to us.”

*Western Union internal memo, 1876*

“Everything that can be invented has been invented.”

*Charles H. Duell, Commissioner, U.S. Office of Patents, 1899*

“Who the hell wants to hear actors talk?”

*H.M. Warner, Warner Brothers, 1927*

“I think there is a world market for maybe five computers.”

*Thomas Watson – Chairman of IBM, 1943*
Frog in the Beaker
Common Reasons Given for Not Changing

- Don’t feel a need to change
- Don’t see W.I.I.F.M.
- Don’t understand consequences of not changing
- Don’t see or don’t agree with the direction
- Don’t think I’m able or competent
- I do understand the change, and I fear the consequences of changing
- Force of habit
- Systems don’t support the change
- It’s who I am
Why Organizations and Individuals Do Change

- Crisis… “Burning Platform”
- Hurts so Bad
- Legal Mandate
- Clearly Perceived Better Way
Change Formula

possibility for change = \left( \text{dissatisfaction with the status quo} \times \text{clarity of the future vision} \times \text{pathways to the future} \right) > \text{loss that results}
Organizational Dynamics of Change

- Communications deteriorate
- Productivity suffers
- Power/turf struggles
- Morale often goes down
- Good people jump ship
Individual Dynamics of Change

- No matter how exciting change is, expect a sense of loss.
- No matter how competent people are, expect a sense of confusion, ambiguity.
- The loss and ambiguity may lead to a deterioration of trust and a sense of self-preservation.
Perceived Losses of Change

- Job security
- Psychological comfort/security (the world is less certain)
- Control over my future
- Purpose or meaning
- Competence
- Social connections
- Territory
- Future opportunities
- Power & influence
- Social status
- Trust, especially in leaders
- Independence and autonomy

Of these potential losses, which one are people most likely to experience from this coming change?

What can we do to reduce or eliminate these losses?
Individual Mastery Needs

- Will I have the skills to succeed in the new order, or will I feel incompetent?
- Will I need new tools and training?
- What will my role be?
- Will I be obsolete?
- Will my current skills/role be redundant?
Individual Belonging Needs

- Can I identify with the new way of operating?
- Will the new organization be consistent with my values and beliefs?
- Will others want my membership?
- Is the new approach consistent with the real or implied contract I signed up for originally?
- Do I think the new approach can succeed?
How It Can Feel
Where *Individuals* May Be Relative to Changes

**Enthusiasm/Commitment**
- Curious – *let me try…*
- Wonder – *I wonder if…*

**Skeptical**
- Critical
- Immovable
Individual Transitions: Bridges’ Three Phases

1. Ending, Losing, Letting Go

2. The Neutral Zone

3. A New Beginning
Individual Transitions

THE MARATHON EFFECT

The higher a leader sits in an organization the more quickly he or she tends to move through the change process. Because they can see the intended destination before others even know the race has begun, senior managers can forget that others will take longer to make the transition: letting go of old ways, moving through the neutral zone, and, finally, making a new beginning.
Bridges on Managing *Individual* Transitions

- Understand what is ending in each person’s work life and career, what’s not going to change for them, and what each person needs to let go of.

- Honor the past as you let it go (“boundary” actions, constant flow of info, recognize and accept grieving symptoms, protect people’s interests as they are letting go.)
Bridges on Managing *Individual* Transitions

- Create temporary solutions to temporary problems and high levels of uncertainty
- Help launch the new beginning
  - articulate the new attitudes and behaviors needed to make change work
  - model those behaviors
  - provide opportunities to learn and practice those behaviors
  - recognize and reward those behaviors
Why Changes Don’t Produce Organizational Change

- Not tied to strategy
- Seen as fad or quick fix
- Short-term perspective
- Undermined by political realities
- Grandiose expectations versus simple successes
- Inflexible change designs
- Lack of leadership about change
- Lack of measurable, tangible results
- Afraid of the unknown
- Unable to mobilize commitment to sustain change
John Kotter’s Eight Steps for Organizational Change

1. Establish a Sense of Urgency
2. Create a Guiding Coalition (a true team with power)
3. Develop a Vision and Strategy
4. Communicate, Communicate, Communicate the Vision and Strategy
5. Empower Broad-Based Action (get rid of obstacles; change systems and structures that get in the way; encourage risk taking, nontraditional ideas, activities & actions, experimentation, feedback loops)
6. Generate Short-Term Wins (plan for visible performance improvements, create them, recognize and reward them)
7. Consolidate Gains & Produce More Change
8. Anchor New Ways in the Culture
Barriers to Empowerment

- Formal structures make it difficult to act.
- Employees who understand the vision & want to make it a reality, can get boxed in.
- Bosses discourage actions aimed at implementing the new vision.
- A lack of skills undermines action.
- Personnel & information systems make it difficult to act.
What to Communicate

If people don’t see a purpose for the change, if they don’t have a picture of where they’re trying to go, if they don’t see a plan for how to get there, and if they don’t see a part they can play, they aren’t likely to participate in the change effort.

If you don’t know something, say you don’t know.
Communicating a Vision*

1. The total amount of communication going to an employee in three months = 2,300,000 words or numbers

2. The typical communication of a change vision over a period of three months = 13,4000 words or numbers (e.g., one 30-minute speech, one hour-long meeting, one 600-word article and one 2,000-word memo)

3. $\frac{13,400}{2,300,000} = .0058 = .58\%$ of communication is re the change vision

*From a 2007 presentation by Lou Centini, Darden Executive Programs
Communicating a Vision

- Keep it clear, simple & short

- Make it vivid – to help, do backwards imaging

  “It’s the future, your change project has been successful. Describe what you would see, hear, feel as you observe key constituents functioning in the new changed state.”
The Elevator Speech

- Being able to clearly and simply state the need for change and describe the future state in a compelling way is essential for rallying the support and commitment of key constituents.

- The elevator speech “packages” the “pitch” in a concise way that enables team members to “sell” the project to those who will be asked to participate in the implementation.
A Simple Four Part Formula for Your Elevator Speech

1. “Here’s what our project is about . . .”
2. “Here’s why it is important to do . . .”
3. “Here’s what success will look like . . .”
4. “Here’s what we need from you . . .”
## Change Communication Planning

<table>
<thead>
<tr>
<th>Audience</th>
<th>Type of Message <em>(inform, persuade, empower)</em></th>
<th>Type of Media <em>(written, events, one-on-one, etc.)</em></th>
<th>When / Where</th>
<th>Who is Responsible</th>
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*GE CAP Methodology*
WE JUST HAD A MEETING AND DECIDED TO CHANGE YOUR PROJECT SUBSTANTIALLY.

WE DIDN'T INVITE YOU TO THE MEETING BECAUSE THINGS GO SMOOTHER WHEN NOBODY HAS ANY ACTUAL KNOWLEDGE.

SO, WHAT ARE THE CHANGES?
IF I REMEMBER I'LL LEAVE YOU A VOICE MAIL.
Mobilizing Commitment

Attitude / Power Matrix

A political map of your stakeholders

GE CAP Methodology
## Mobilizing Commitment

### Stakeholder Analysis/Commitment Chart

<table>
<thead>
<tr>
<th>Names or Group</th>
<th>Strongly Against</th>
<th>Moderately Against</th>
<th>Neutral</th>
<th>Moderately Supportive</th>
<th>Strongly Supportive</th>
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**Steps:**

1. Plot where individuals currently are with regard to desired change (O = current).

2. Plot where individuals need to be (X = desired) in order to successfully accomplish desired change. Identify gaps between current and desired.

3. Indicate how individuals are linked to each other, draw lines to indicate an influence link using an arrow (→) to indicate who influences whom.


*GE CAP Methodology*
<table>
<thead>
<tr>
<th>Key Stakeholder</th>
<th>What’s Important</th>
<th>Reasons for Resisting Change</th>
<th>Level of Resistance (High, Med, Low)</th>
<th>Strategy for Dealing with Resistance</th>
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## Changing Systems & Structures

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MY ACCOMPLISHMENT THIS WEEK IS THAT I'VE BECOME AN AGENT OF CHANGE.

I FOSTER AND REWARD THOSE BEHAVIORS THAT CONTRIBUTE TO A CULTURE OF TEAMWORK.

I'VE BECOME SLIGHTLY MORE CYNICAL.

KEEP UP THE GOOD WORK, BUDDY.
Making Change Happen

*To what extent...*

- Does the change have a champion?
- Do the people essential to success feel the need?
- Do we know the desired outcome?
- Are stakeholders committed to outcomes?
- Do we have an action plan?
- Are indicators in place to track progress?
- Are we communicating, are our messages getting through?
- Are we supporting individuals through the change?
- Have we institutionalized change, imbedded it in our systems and structures?
The most important question for a manager of change is...

*How must I change, if I want them to be different?*