Preparing for and Managing Change

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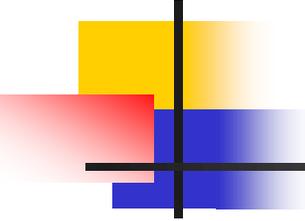
How Does Change Happen?

- I teach change management
- Have read 100s of articles on change, worked with many companies
- What can I tell you about:
 - Change?
  - Preparing for Change?
  - Managing Change?
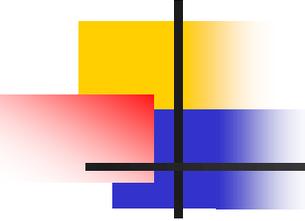
Change cannot be "managed." It can be understood and perhaps led but not fully controlled Fullan, 2004
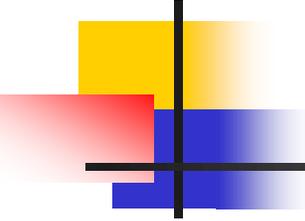
In my experience…

- Organizations do not like to change
  - Nor are they good at it
  - They like to talk change but often not deliver
- Employees do not like to change
  - Change or die
- The moral case for change is not effective
  - But the business case for change is worse!
- But .. Organizations are going to have to change to remain viable (organizations)
  - Why? Shifts in external environment
  - Challenge: success spiral
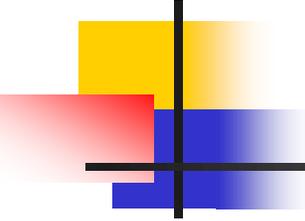
Various types of change – need first to understand what type of change(s) you are going through

Transactional Change

- Planned change
- Evolutionary change
- Frame bending
- Little "c" change
- First order change
- Continuous change
- Incremental change
- Change the rules
- Continuous
- Proactive

Transformational Change

- Unplanned change
- Revolutionary change
- Frame breaking
- Big "C" change
- Second order change
- Discontinuous change
- Radical change
- Change the game
- Episodic
- Reactive
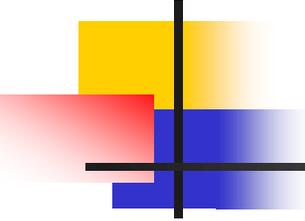
Classifying Change
Nadler and Tushman

	Incremental	Transformational
Anticipatory	Tuning	Reorientation
Reactive	Adaptation	Re-creating
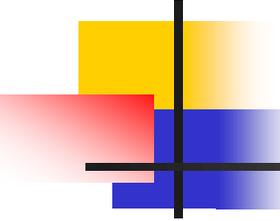
Challenges in Implementing Change in Public Sector

- Change in government or change in leadership at the top means "change for all"
- Often change is not communicated well
- Often the view is that people are to be "changed"
  - They are not involved in the change process
- Too many people and groups introducing change in the sector
  - Siloed
- Change is under-resourced
- "Fish bowl" culture
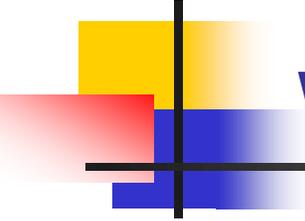
What makes change difficult?

Often the sense of urgency is not there

- Managers and employees must believe that the consequences of leaving things the way they are is worse than undergoing the stress
- The "burning platform" analogy
- Do <u>you</u> believe that how you deliver your program <u>must</u> change?
  - How make the case?
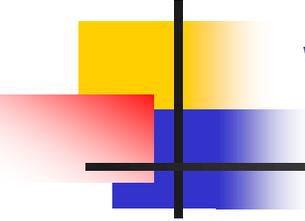
What makes change difficult?

- **Leadership of the Change**
  - Transformational change takes time and a strong commitment to "stay the course"
  - Means need to have either stability of leadership <u>or </u>a commitment on the part of new leaders to continue the efforts of their predecessor
  - Also need people in senior positions to be visibly committed to the change and "Walk the Talk"
    - Is this true in your sector?
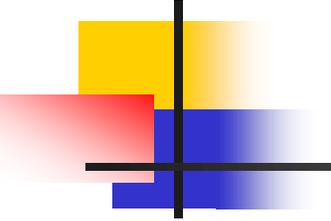
Leadership is Key Challenge When Introducing Change in PS

- Who is the leader?
  - Extra layer of "management" in PS – the politicians
- Lack of stability at the top a major problem within public sector
  - Transformative change takes time
- Many in leadership positions do not have key competencies necessary to implement change
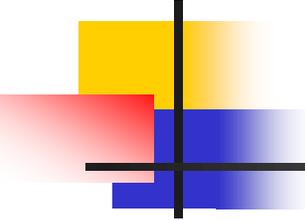
What makes change difficult?

- **Workloads**
  - Organizational anorexia in some areas
    - Employees do not have time to participate in change
    - Managers do not have time to "manage" the change on top of everything else they have to do
    - Stress and overwork reduces willingness to take "risks"
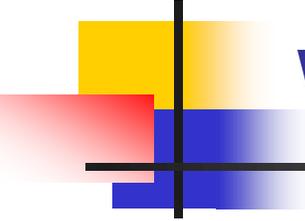
What makes change difficult?

- Communication of change

- Best practice communication of change must be:
  - Timely
  - Clear
  - Two-way
  - Consistent
  - Honest (there will be winners and losers)
  - Use multiple channels
    - Town halls, e-mails, posters, videos
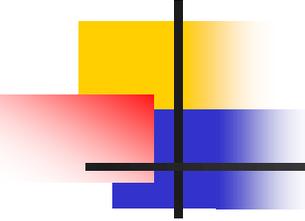
What makes change in PS difficult?

- **Challenges around communication**
  - Overuse of e-mail
    - Confusion between efficiency and effectiveness
  - Information overload
  - Tends to be one way versus two way
  - Takes time – workloads get in the way
  - The "optics"
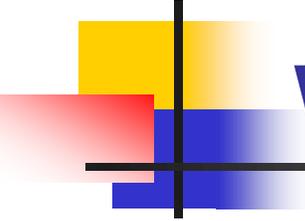
What makes change difficult?

- **Measurement and accountability**
  - What gets measured?
  - What is valued?
  - Disconnect between stated objectives and accountability framework within education sector
    - If you talk learning and values and manage money and service delivery you will fail
  - The "folly of rewarding A and hoping for B"
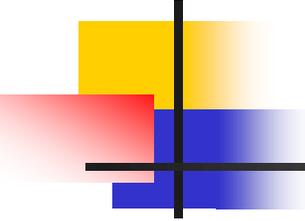
What makes change difficult?

- **Often there is no agreement of what needs to be changed and why**
  - To get this understanding need to have done a <u>complete</u> diagnosis <u>prior</u> to starting the change process
  - Diagnosis involves:
    - identifying the problems (not symptoms)
    - assessing the readiness for change
    - Understanding how those involved in the change will view the change (i.e. stakeholder analysis)
    - Identifying the inter-relationships within the system
  - Diagnosis within public sector often a problem
    - Paralysis by analysis
    - Lack of honest post mortem analysis
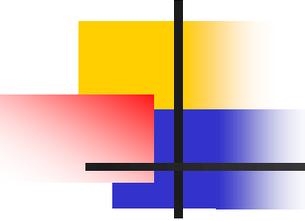
What makes change difficult?: Employees' (and managers) attitudes towards change!

- After going through numerous "failed" or "imposed" change initiatives many employees and managers are:
  - Cynical about change efforts
  - Distrustful of leadership
  - Overworked and stressed
  - Change weary
  - Passively resistant
  - Unwilling to be an "agent of change"
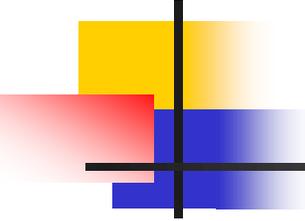
What makes all change challenging?

- **Resistance**
  - No visible resistance does NOT mean that people are not resistant
    - passive resistance most common form for resistance
  - Because they are resistant does not mean they are wrong
  - Hard to get successful change without an "agitator"
  - Hard to get people to agitate when culture is one of "silence"
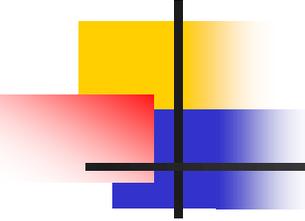
People resist change for many reasons

- Most common reasons people resist change include:
    - **Self interest**: they will lose something they value
    - **Misunderstanding and lack of trust**: employees do not understand the implications of the change and perceive that it will cost them more than they will gain
    - **Different assumptions**: employee assess the situational differently from their managers and see more costs than benefits – not only for themselves but for the company
    - **Low tolerance for change**: fear they will not be able to develop needed skills
   - Dispositionally unable to handle change
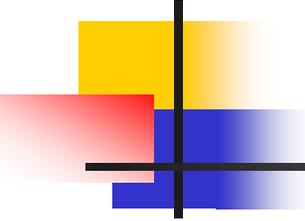
Understanding Resistance

- People who are going through (or leading) significant change typically experience a predictable series of responses to change efforts:
  - Denial
  - Anger
  - Bargaining
  - Despair
  - Hope and Experimentation
  - Integration
- Can get stalled at any one of these stages

The Process of Transition

Can I cope?

At Last something's going to change!

What impact will this have? How will it affect me?

This is bigger than I thought!

Denial

Change? What Change?

Disillusionment

I'm off!! ... this isn't for me!

I can see myself in the future

This can work and be good

Did I really do that

Who am I?

Anxiety

Happiness

Moving Forward

Gradual Acceptance

Fear

Threat   **Guilt**   **Depression**

Hostility

I'll make this work if it kills me!!

Death Valley of Change: Impact of continual unsuccessful change

- Many organizations have gone through a number of change initiatives over the past several decade
  - Most of which have failed and had the plugged pulled early
- What is the impact on employees of "continual visits to the death valley of change"?
  - Cynical about change efforts
  - Distrustful of leadership
  - Overworked and stressed
  - Change weary
 - Passively resistant
  - Unwilling to be an "agent of change"
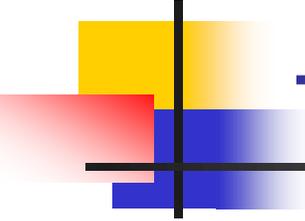
What makes change difficult?
The idea of excessive change

- Change is perceived as excessive by those in the middle and the front line when
  - There are too many changes implemented in a short time
  - Changes do not appear to be connected in any way
  - New changes introduced before old ones have the chance to work
  - Changes linked to change in top management

Active coping mechanism

SABOTAGE

"We continue our work just as we used to and make fun of it [the change program]" (Oilco 2)

TAKE SELF-CONTROL

"The manager has not had time to take care of the group at all. We have more or less found the way ourselves." (Teleco)

"...we have called a meeting with our superiors." (Teleco)

EXIT

"In this process a number of highly qualified employees leave and find work elsewhere. Often it is the best people who choose to leave." (Teleco)

Change improbable ← → **Change probable**

BOHICA

"There seems to be a tendency that people choose to bend over thinking that it will soon pass..." (Teleco)

"After a while you do not give a damn. I used to be involved, but nothing came out of it... The third time, I told them that I don't want to take part anymore." (Oilco 2)

LOYALTY

"Our work load has increased as a result of these (changes). It gets harder to stay motivated." (Oilco 2)

"People worked more and more and as time went by I could no longer abide by the labor laws." (Teleco)

PARALYSIS

"It gets messy, frustrating and too much to cope with. In the end your body doesn't function... and you just float along...." (Teleco)

Passive coping mechanism

Excessive change has a number of negative consequences which make it harder to move forward Stensaker et al, 2002

Consequences	Categories	Characteristics
Structural	Musical chairs	Rotation of managers Voluntary and involuntary turnover
	Orchestrating without a conductor	Employees lack direction due to inconsistent middle management
	Shaky foundations	People are unclear on what they are to do and who is responsible for what
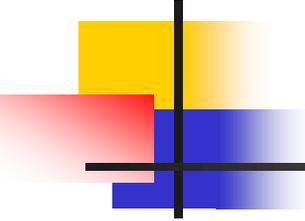
Excessive change has a number of negative consequences which make it harder to move forward Stensaker et al, 2002

Consequences	Categories	Characteristics
On Performance	Implementation failure	Changes not carried through
	Loss of effectiveness	Focus on change takes attention away from "customer" and work
		Competencies and capabilities risk being lost because of focus on change
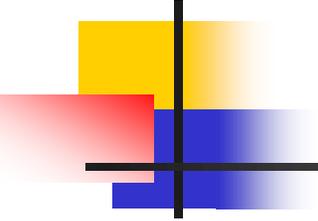
What makes change difficult?

- Middle managers are key to successful change but...
  - Many senior leaders do not recognize the importance of having this group on board
  - Many middle managers are over worked and cynical about change
  - Many middle managers are not willing to change their own behaviour
   - Are you on board with the change?
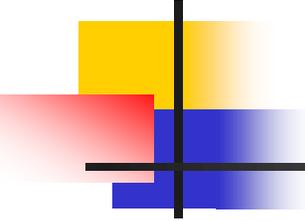
Middle managers role in change

- Managers have a unique role in the change process
  - They are simultaneously change recipients and change implementers since they are responsible for absorbing change and passing it on
    - Called in the literature change intermediaries
- Their interpretation of what the change involves and what is needed underpins:
  - How they change personally
  - The changes they encourage (or discourage!) their staff to undertake
  - What they actually implement within their own department
- Middle managers are the "transmitters" of the change

Middle Managements Tasks During Change Balogun, 2004

Nature of activity

	Sensemaking	Coordination and management
Peers/Self	Undertaking personal change	Keeping the business going
Team	Helping others through change	Implementing changes to department

Orientation
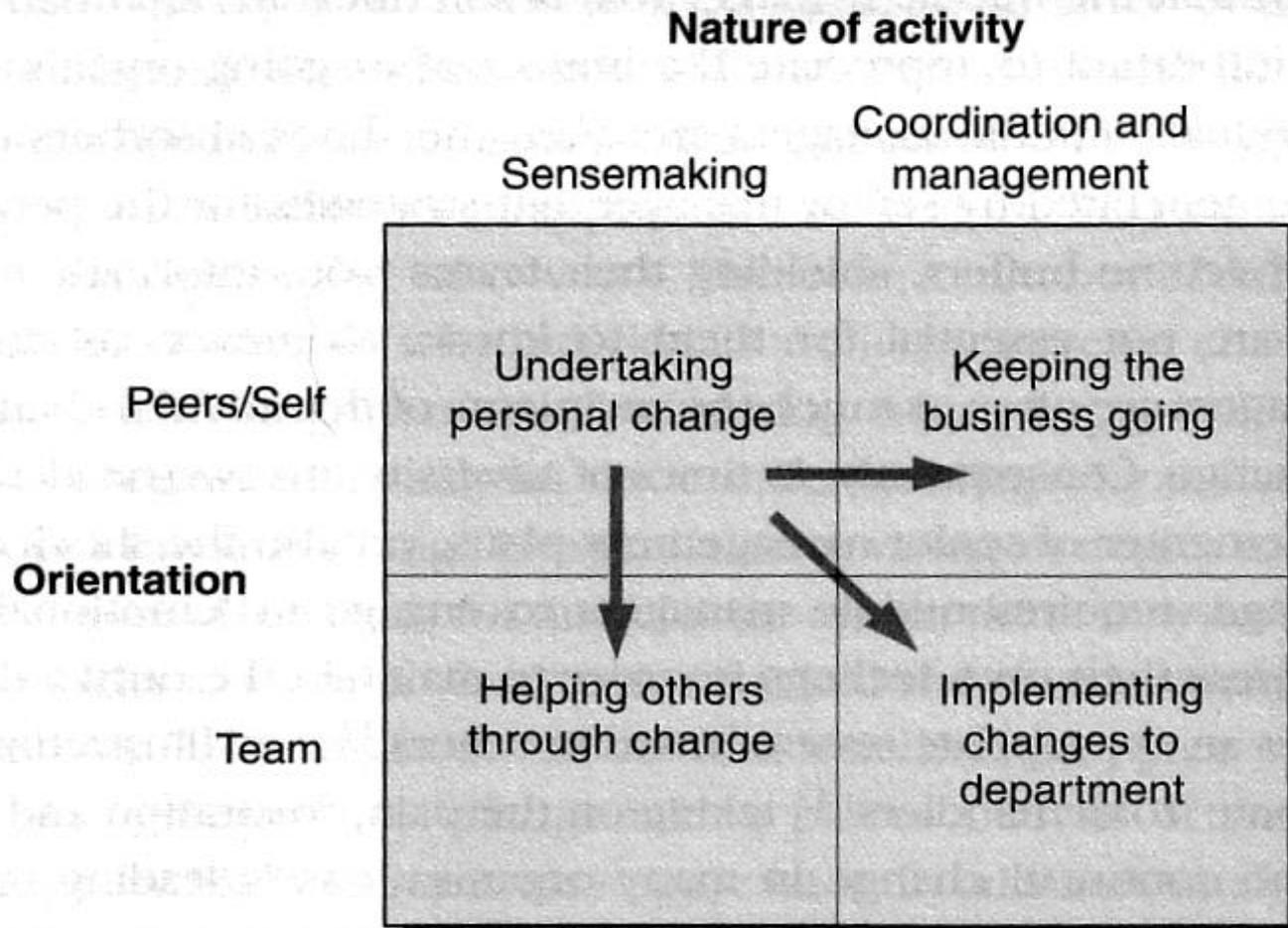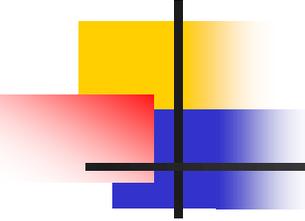
During change middle managers need to be all things to everybody

- Communication and interpretation of change plans
  - A translation task
- Reconciliation of divergent demands and activities from strategic and operational levels
  - A mediation task
- Shock absorbers for the emotional and negative impact the change has on others
  - A buffering task
- The fact that they too are recipients of change
  - A negotiation task
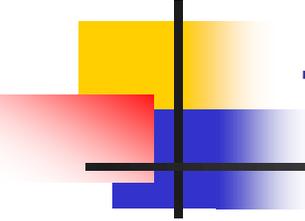
Challenges middle managers face fulfilling their role in change

- **Managers become overloaded**
  - Do not have time for activities that are critical to the successful implementation of change such as:
    - Communication with staff
    - Team building
    - Counseling
    - Coaching
- **In fact research in the area is unequivocal:**
  - Change will not be successful if managers are not given the time, skills and support needed to manage change
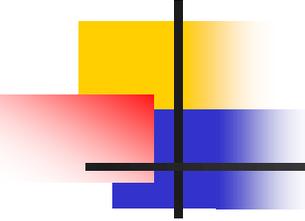
Middle managers role during change is very difficult

- They are often the "shock absorbers" of the emotional turbulence generated by senior management strategies for the people they manage
- Also become "buffers" who shield their teams from change pressures
- They often engage in "*Emotional labour*":
  - Suppress their own feelings in order to maintain the outward impression that produces an appropriate state of mind in others
- They become "toxic handlers" – taking on pain, frustration and bitterness of other
- They are often the recipients of detrimental change as the implementers of change

# Managers role: emotional labour
Balogun, 2004

Mobilise	Move	Sustain
Denial	Integration	
	Search	
Shock	Awareness	Testing
	Acceptance	
• Help individuals to let go of the past and accept change • Minimise shock • Communicate intentions as early as possible • Expect resistance	• Help individuals to change – listen, sympathise, support, encourage, coach, debate, give and take feedback • Put in place education, training, personal development, new working practices and systems	• Support individuals in their new roles • Encourage reflection on change and learning • Celebrate success and reinforce new ways of behaving

Consequences of emotional labour on middle management

- Intensifies middle managers sense of loneliness and abandonment
- Increases job dissatisfaction and stress
- Middle manager detaches from the change initiative for "self protection"
- Middle managers become more critical of the change initiative
- All of these activities are unfortunate give the middle managers role in driving change downward

Middle Managers are also often the victims of the communication collision Balogun, 2004
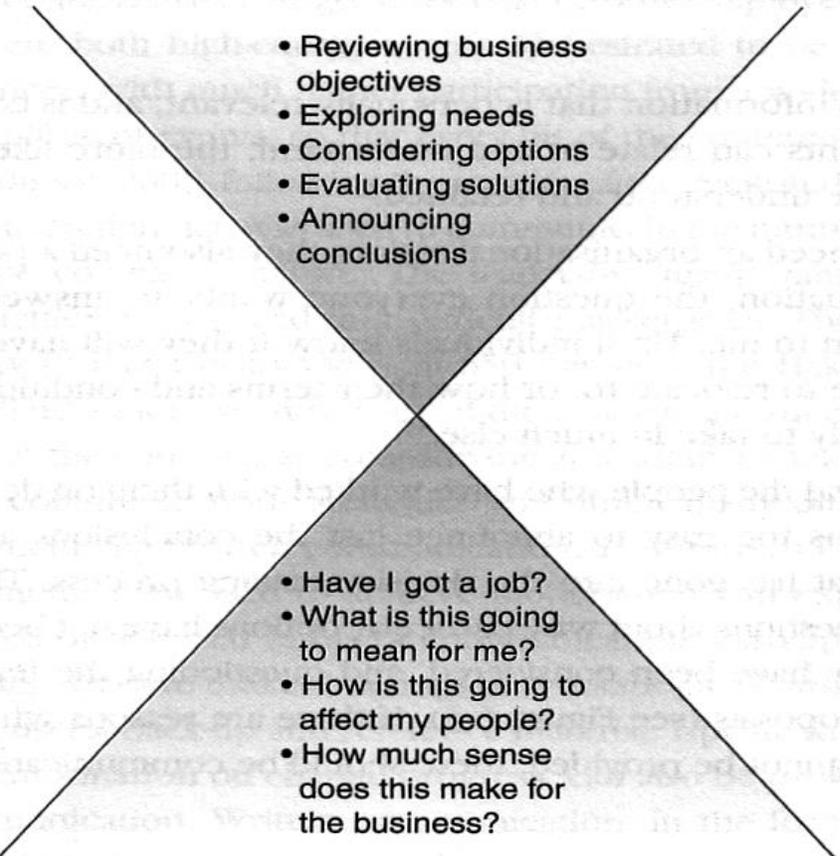
- Reviewing business objectives
- Exploring needs
- Considering options
- Evaluating solutions
- Announcing conclusions

- Have I got a job?
- What is this going to mean for me?
- How is this going to affect my people?
- How much sense does this make for the business?
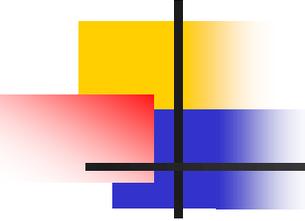
Other challenges

- Middle managers are often overwhelmed during the change
  - Is communication to staff in their performance metrics?
- Middle managers often do not have the communications skills required by this task
- People who are responsible for communicating change to others has to have as much information as possible
  - Is this the case?
  - Consequences: managers are asked to brief their staff and cannot answer their questions and no way to find out from those above them?
  - This has a number of consequences on the change
    - What?
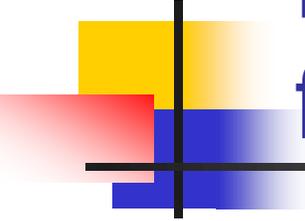
Measuring Organizational Readiness for Change

- So, first step in managing any change is determining the organizations readiness for change
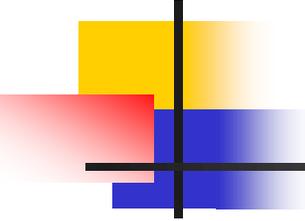
Rate An Organization's Readiness to Change Symtec

- I am going to give you a quiz
- Research has identified 17 key elements of change readiness
- Award your company points as follows:
  - 3 = We are good at this
  - 2 = We are okay at this... we could use improvement
  - 1 = We have had problems here... this is new for us
- Be honest, consult with others
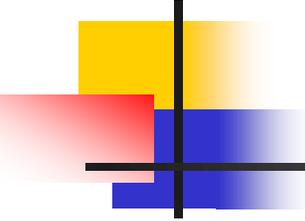
Readiness for Change

- **Sponsorship:**
  - Give a 3 if the sponsor is in senior leadership
  - Give a 2 for mid manager
  - Give a 1 for no sponsor or staff level
- **Leadership:**
  - This is the person who is responsible on a day to day basis for the change (i.e. sets goals, calls meetings)
  - Give a 3 if this is a person at a higher level in your organization who is well connected
  - Give 1 for a person who is not well connected or at the staff level
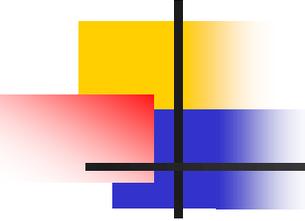
Readiness for Change

- **Motivation:**
  - Give a 3 if there is a high level of urgency from senior managers and if the culture emphasizes continuous improvement
  - Give a 1 if have tradition bound managers who have been in position for a decade or more, a conservative, risk adverse culture
- **Direction:**
  - Does senior management have a clear vision for the future? Can they mobilize all relevant parties? If yes, score a 3.
  - If managers think only minor change is needed, score yourself a 1
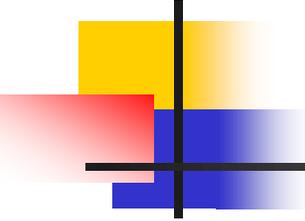
Readiness for Change

- **Measurement:**
    - 3 points if you already use performance measures that express the economics of the business
    - 2 if some measures exist but they are not reinforced by the compensation and reward system
    - 1 if you have no measures/do not know what I am talking about
- **Organizational Context:**
    - How does the change effort connect to other important things that are going on in the organization?
    - If the change effort is isolated OR there are multiple change efforts that are not linked strategically give yourself a 1
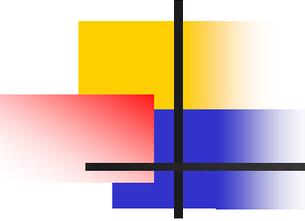
Readiness for Change

- **Processes/Functions:**
  - Major change efforts require redesigning business processes that cut across functions
  - If functional executives are turf conscious and the organization is siloed change will be difficult
  - More organization is focuses on the good of the group rather than good of their group, the more points!
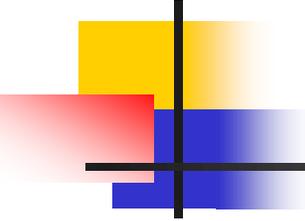
Readiness for Change

- **Benchmarking:**
  - If you have a program that compares your performance with that of your competitors, other leaders, give yourself 3 points
  - If you have only heard rumours of how your competitors/ best practice groups do it, give yourself 1 point
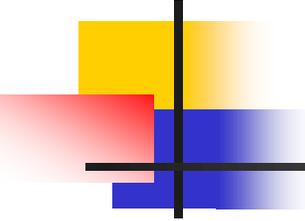
Readiness for Change

- **Customer Focus:**
  - Give three points if everyone in the organization knows who their customer is, what they need and has direct contact with them
  - Take away points if that kind of knowledge is not well shared
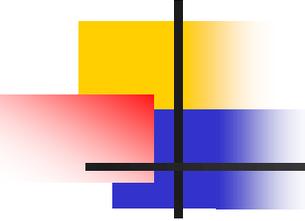
Readiness for Change

- **Rewards:**
  - Change is easier if managers and employees are rewarded for taking risks, being innovative and looking for new solutions
  - Team based rewards are better than rewards for individual
  - Take away points if managers are rewarded for meeting their budgets and if failures are punished
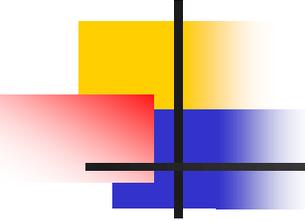
Readiness for Change

- **Organizational Structure:**
  - Give yourself one point if you have a rigid structure that has been unchanged for 5 or more years <u>or</u> if you have undergone frequent re-organizations with little success (cynical culture that fights change by waiting it out)
  - Give yourself a 3 if reorganizations are rare and well received
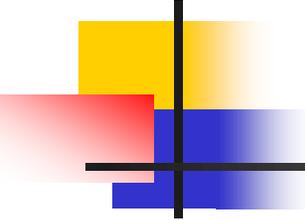
Readiness for Change

- **Communication:**
  - Give yourself 3 points if you have many ways of two way communication that reach all levels of the organization and that employees use and understand
  - Give yourself 1 point if you have mainly one way, top down communication or if most people do not read corporate communications
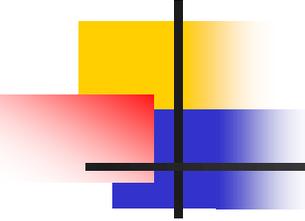
Readiness for Change

- **Hierarchy:**
  - Give three points if your organization is relatively flat
  - Take away points if you have many layers and a lot of middle managers
- **Prior Experience with Change:**
  - Give yourself three points if your organization has undertaken successful major change in past three years
  - Score one if your organization has no prior experience with a major change effort <u>or</u> if prior change efforts have failed
  - Score two if you have had some success with change in the past
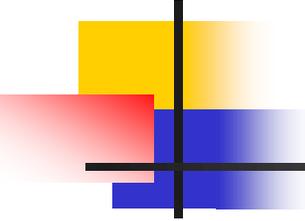
Readiness for Change

- **Morale:**
  - Change is easier if employees like working in the organization and the level of individual responsibility is relatively high
  - Signs of unreadiness include low team spirit, little voluntary effort, and mistrust between manager and employees <u>or</u> between departments
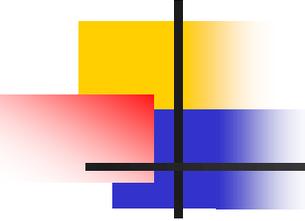
Readiness for Change

- **Innovation:**
  - Give yourself three points if your organization is always experimenting with new ideas, new ideas are implemented relatively easily, and employees work across departments/boundaries
  - Give yourself one point if there is a lot of red tape, multiple sign offs before new ideas are tried, and employees must "go through proper channels"
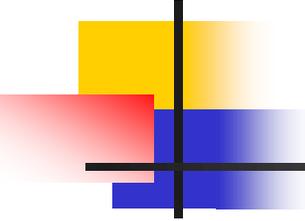
Readiness for Change

- **Decision Making:**
  - Give yourself a three if decisions are made relatively quickly and take into account employees suggestions
  - Also give high points if it is clear who made what decision
  - Give yourself lower marks if it is not clear who made the decision, there is a lot of conflict during decision making, and there is a lot of finger pointing after the decision is announced
- Now…calculate your score
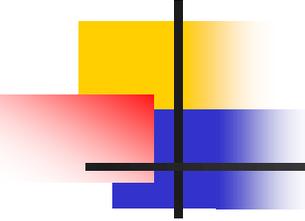
Interpreting your Score

Score	Interpretation
41 to 51	Implemented change is likely to succeed – focus resources on your 1s and 2s to increase chances
28 to 40	Change is possible but may be difficult – especially if your low scores are in the first seven items – work on these first
17 to 27	Implementing change will be virtually impossible without a precipitating catastrophe – focus instead on pilots and building change readiness
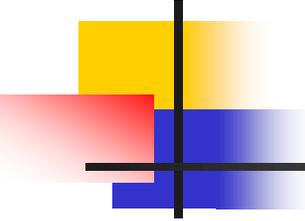
Measuring Personal Readiness for Change

- Second step in managing any change is:
  - Determining your own readiness for change
  - Identifying your ability to take on the role of change agent
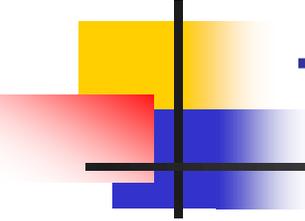
The idea of resilience

- Measuring resilience is a very complex field, because it is such a complicated concept to pin down and there are so many different constructs that can go into the mix.

- Other issue – is that training and coaching can only increase resilience a little – as resilience tends to be "dispositional"
  - Related to traits including Hardiness, Personal Mastery

Life Events, Environment & Heredity

High
PERSISTENCE

High
COOPERATIVENESS

constructive,
determined,
hard working

maintains behaviour
despite frustration,
& reinforcement,
diligent

tolerant,
helpful,
principled,
agreeable

accepting of
uncertainty,
confident,
energetic

meaningfulness, self reliance

RESILIENCE

perseverance, equanimity

supportive,
constructive,
conscientious,
self accepted

comfortable
with a degree
of risk, relaxed

adapts behaviour
in accord with
goals based on
assessment of facts,
optimistic

decisive,
optimistic,
bold

Low HARM
AVOIDANCE

High SELF
DIRECTEDNESS

# How resilient are you? (Brief Resilience Inventory)
5= agree strongly, 3 = sometimes 1 = strongly disagree

- I tend to bounce back quickly after hard times
- I have a hard time making it through stressful events (R)
- It does not take me long to recover from a stressful event
- I usually come through difficult times with little trouble
- I tend to take a long time to get over set backs (R)
- Reverse score the ones with R and then add them up – higher the score the greater the resilience
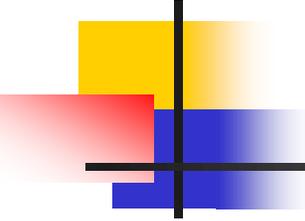
Resiliency – Strongly linked to Personal Mastery

- What was your last years New Year's resolution?
- Did you make it stick?
- Why do you think you failed?
- People who can change have the following characteristics:
  - They set very realistic goals
  - They do a little every day
  - They are personally motivated
  - They set up external structures to make it easy
- To manage change you have to manage yourself
- Research has consistently shown that effective change agents have 11 traits
- What do you think they are?
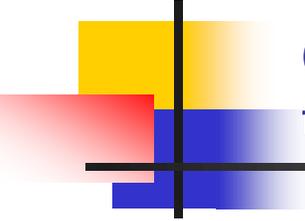
Personal Mastery

On a scale of 1 (low) to 10 (high) how would you rate on each of these criteria? Which two or three areas would you like to improve?

- Ability to communicate a vision to others
- Energy
- They are perceived by others to be inspirational
- They are high on integrity and honesty
- They have courage
- They are persistent
- They are open minded
- The have high EQ
- They are good at networking
- They are good at listening
- They are politically astute
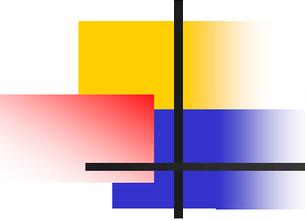
What are the characteristics of an effective change agent

- Research has identified the following sets of behaviours fairly consistently:
    - Communicates a vision
        - Of course, this is based on the assumption they have one
    - Energy and passion
    - Inspirational and motivational
        - Resonate with the people around them
    - Courage to start and keep going when things get tough
    - Resilience and open mindedness
    - Emotionally intelligent
    - Manage all stakeholders
    - Good at networking
    - Politically astute
    - Good at listening
    - Good at creating a sense of urgency

Putting it all together

As a change agent you will be faced with four scenarios
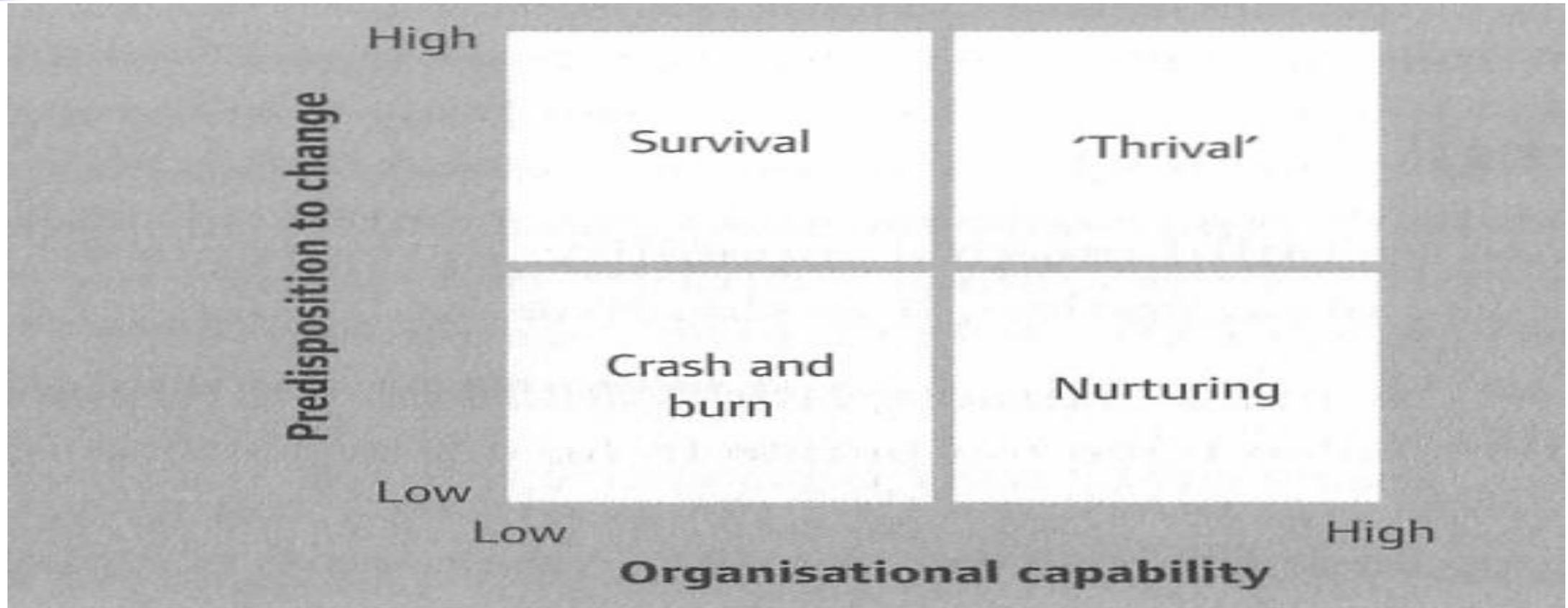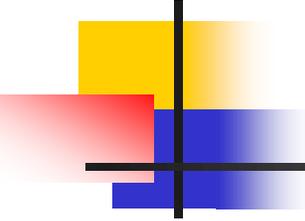
Crash and burn

Low organizational readiness, low personal readiness for change

- ## Worse place to be!
  - People have a low tolerance for change and organization has poor readiness
- ## What would you do?
  - You personally have to increase your sense of confidence, resilience and authority
  - Leave if it is really that bad
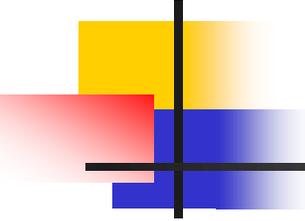
Survival

Low organizational readiness, high personal readiness for change

- You want to change (and may be put in charge of change) but organization has poor readiness
- What do you do?
  - Goal – personal survival
  - Find where you can make some head way
  - Use your network of friends to offer you support
  - Gain bye-in for a pilot
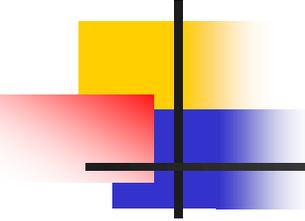
Nurturing

High organizational readiness, low personal readiness for change

- Organizational is ready to change but you are not
  - Organization sees fear and uncertainty as normal and will support you – for a while
- What would you do?
  - Use the time to get yourself ready
  - Ask yourself questions about the change and get yourself ready
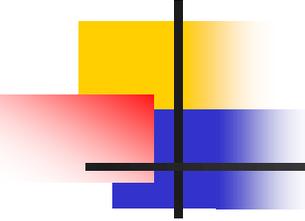
Thrival

High organizational readiness, High personal readiness for change

- # Nirvana

- # What would you do?
  - Signs are very positive – you have a real chance to make a difference
  - Be sensitive to those around you who are not ready
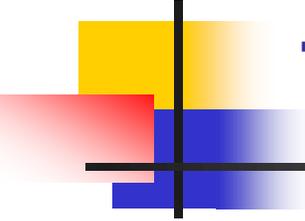
Tips on coping with change

- Take responsibility for what you can control
- Accept that you cannot control it all
- Ask questions
  - What does a good ending look like for me?
  - How would this good ending be achieved?
- Think of examples of when change worked out well – and figure out why?
- Talking about it helps
- Go on-line to change advice sites
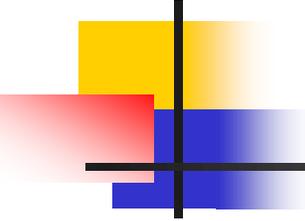
10 Tips for Improving Resilience

- Increase your capacity to tackle stress
  - Take control
  - Manage the workload
- Tackle the source of the stress
  - Break the pattern
  - Listen to yourself
- Build long term resilience
  - Establish clear goals
  - Look after yourself first
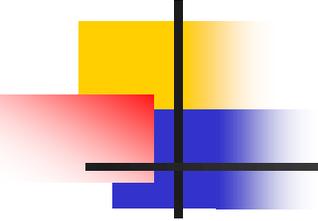
Your Role Moving Forward:
Become a change agent

- ## Take some ownership of the changes
  - There is no "they"

- ## Chose your battles carefully
  - Pick battles big enough to matter, small enough to win

- ## Don't let your strengths become your weaknesses

  "As you are the only one you can really change, the only one who can really use all your good advice is yourself"

- ## Invent the future instead of redesigning the past
  - Best way to know what is coming is to put yourself in charge of creating the situation you want
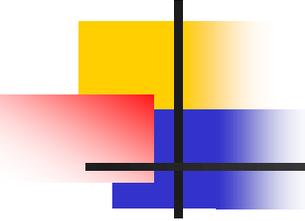
Moving Forward

- ## Put yourself first
  - Stress leave for you helps no one!
- ## Take the death bed test
  - And follow through
- ## Recognize that many people have real challenges coping with change
  - Do what you can for them, but recognize your limits
  - Need to be able to get support for those who need it
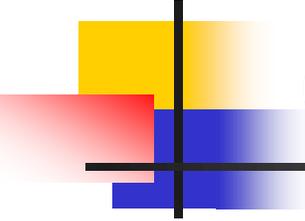
Moving Forward: Consider the Following

"Failure is more frequently from want of energy than want of capital" Daniel Webster

"A pint of sweat saves a gallon of blood" General Patton

"Never mistake motion for action" Hemmingway

"Nobody can go back and start a new beginning, but anyone can start today and make a new ending" Robinson

Thank you

- Questions