

## Learning Resource

# Change Management

Effective strategies can help organizations and individuals adapt more readily to the changing environment and reduce disruption to productivity. Understanding the nature of change and implementing effective change management strategies will also enable organizations to increase their capacity to absorb changes.

Leadership must provide a strong, consistent vision and guide the organization through the execution of its strategic plan. Effective project management practices will provide more consistent delivery of successful projects on time and within budget. Although little can be done to stem the rate or amount of change within organizations, effective strategies can help organizations and individuals adapt more readily to the changing environment and reduce disruption to productivity.

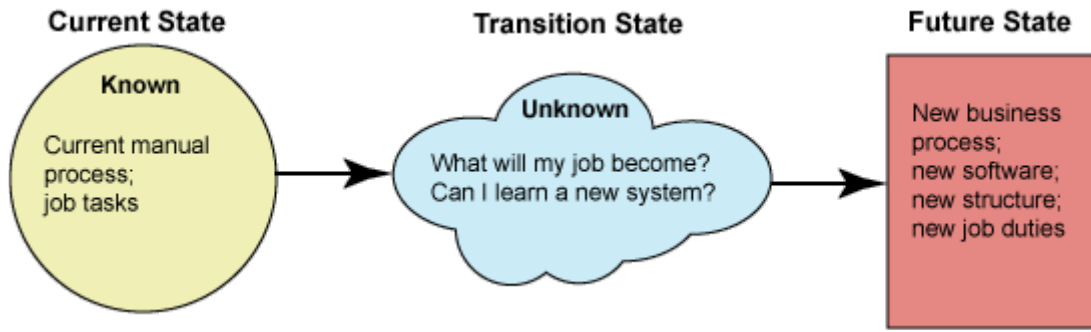
### What Is Change?

You can find a variety of definitions, but typically they contain elements related to becoming different, replacing something, or altering the way things are done. In today's business environment, more changes are coming at a faster rate than ever before. In 1970, Alvin Toffler, a sociologist, published his book *Future Shock*, in which he defined the concept of future shock as a personal perception of "too much change in too short a period of time" (p. 4). He predicted that as technology and society change, the increased change rate will create a level of stress and information overload.

In the twenty-first century, we see the reality of Toffler's (1970/1990) prediction. The impacts of increased computing power, the internet and the World Wide Web, wireless connectivity, corporate mergers and acquisitions, and global commerce are seen daily in news headlines. Strong, effective leadership is critical to helping to guide organizations through turbulent times to achieve business strategy and increase competitive advantage.

Let's look at the graphic below that illustrates a typical change model showing the process of change.

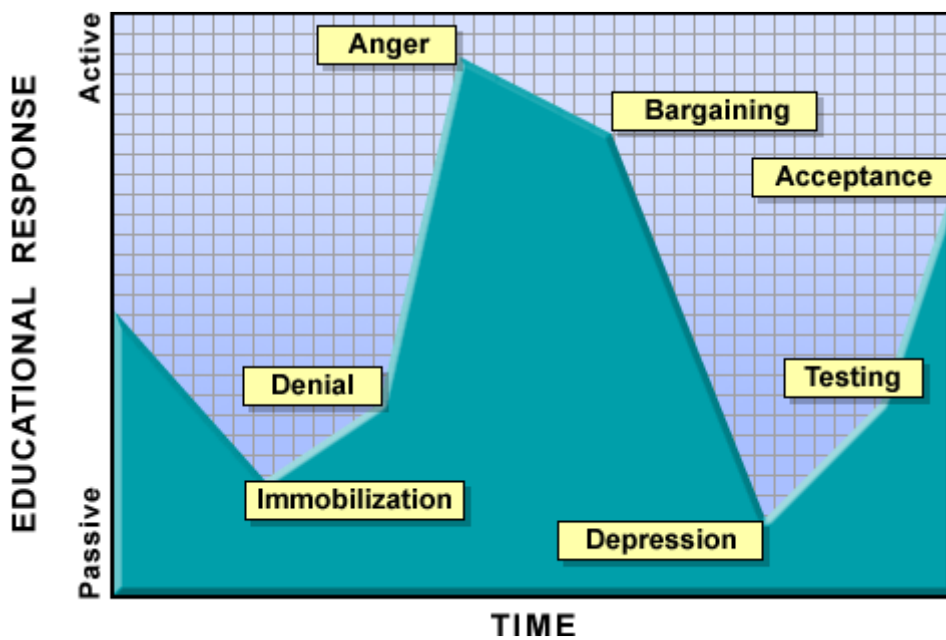
### The Process of Change



In the current state, employees know the **norms**, or written and unwritten rules; they are comfortable (even if the situation isn't ideal). The future state is unknown and could be the result of implementing a new invoice-processing system, migrating to the next release of Windows and Office, or introducing a new management structure and reporting relationships. The transition state is murky and nebulous, and it is understandable that employees have concerns and don't want to venture there, even if the other side sounds promising.

## Resistance

The reality is that human beings resist change, and it is unrealistic to think that we can eliminate resistance. The appropriate strategy is to anticipate resistance to change, recognize its characteristics, and seek to effectively lead and guide employees through a change while minimizing disruptions to productivity. So what happens during resistance, especially when employees don't want the change and feel they have no control over the situation?



Reaction to Change

Source: Adapted from Conner (1992, p. 133)

The graphic above shows the common emotional response to change where users go through the following typical stages: immobilization, denial, anger, bargaining, depression, testing and acceptance . The degree to which individuals display these responses ranges from mild loss of productivity to major dysfunction. Also, the longer an employee has been in the current state, the more dramatic his or her response to change may be. Many of you have been in workplace situations in which a change was announced. Employees spend a great deal of time debating the impact of the change, trying to guess management's ulterior motive, and asking, "What does this mean to me?" Very little of the organization's work is being accomplished during this time.

A key factor in resistance is feeling that we have lost control over a situation. Also, change has a cumulative effect. Few of us are in the enviable position of being able to process one change at a time, get used to the new thing, and relax before tackling the next change. The reality is that individuals experience ongoing change at work, at home, at school, and in society at large. We each have our own capacity to assimilate change, and when we reach a saturation point, we have little energy to take on more changes.

Darryl Conner (1992), founder of ODR, Inc., an organizational consulting firm, has spent a significant portion of his career researching the human response to organizational change. He has identified five characteristics of resilient people. His research shows that people who excel in these five areas are able to move more quickly through the change cycle, maintain higher levels of productivity, and apply lessons learned from one change initiative to the next.

Characteristic	Description
positive	sees opportunities and has a sense of self-assurance
focused	has a clear vision of what he or she wants to achieve
flexible	demonstrates the ability to be more fluid and less rigid when responding to uncertainty
organized	is able to develop structured approaches to ambiguous or unclear situations (Note: This use of the word organized focuses on making sense out of chaos rather than on being a "neat freak.")

*Source:* Conner (1992, p. 239)

Characteristic	Description
proactive	is able to embrace or engage change rather than defend against it

*Source:* Conner (1992, p. 239)

Although some individuals may be more innately resilient than others, it is possible to increase one's capacity for change by focusing on these characteristics. Those who already have a high capacity for resilience will have an easier time increasing their capacity. Although those with a lower initial capacity may never reach high levels of resilience, they can improve.

We can increase our resilience by learning from more resilient individuals, as well as learning from our own past experiences. When confronted with a difficult situation, drawing on what helped in the past better positions us to move through the current change. When leaders demonstrate vision, commitment, and management, they create a culture and environment in which employees can more quickly move through the transition state to the future state. This reduces anxiety and decreases the loss of productivity and dysfunctional behavior that organizational change can instigate.

Earlier, we mentioned that resistance stems, in part, from a sense of loss of control. In reviewing the characteristics of resilience, you will note that they can relate to regaining one's sense of control. For example, providing a sense of organization in ambiguous or vague situations can help restore a sense of control. Being proactive and looking for the opportunities a change may provide can also bring back a sense of control over one's future. Think about the implementation of a new system to automate the invoice creation process. Suppose you are a clerk in the order-taking department, and this new, automated system is going to redefine the way orders are received. You will no longer have to type invoices. A resilient person would see the opportunity to learn a new software tool and increase his or her value to the department by organizing a plan to learn the new system. A less resilient person would see only the loss of a known job function, fear of not knowing to use the new system and appearing "stupid," while missing the possibility of future advancement this change could provide.

## Roles of Change

Resilient people also recognize that there are different roles within a change initiative and understand the dynamics and interrelationship of these roles. Less resilient people lack an understanding of these roles and are often perplexed about who is filling what role. Conner (1992) described these roles below.



### Organizational Change Roles

Although each of these four roles, Sponsor, Agent, Advocate and Target, plays a critical part in the effective implementation of organizational change, the sponsorship role is the key. Particularly in times of change, it is critical that the organization's leadership provides this essential sponsorship role. Sponsorship requires more than an all-hands email notice announcing a new initiative; it requires **sustained sponsorship** throughout the life of the change. Without a consistent, ongoing message about the importance of the initiative, the benefits, the progress, and rewards for success and accountabilities for failures, the initiative is likely to fail. The employees are very comfortable in their known environment and resistant to venturing into the murky unknown or ill-defined future state. Without sustained sponsorship, employees will quickly revert to their comfort level.

Another element of sponsorship is **cascading sponsorship**. The corporate CEO may launch a new initiative and stress its importance to his or her executive team. The CEO expects that (1) progress will continue, and (2) the executive team knows what to do, and he or she moves on to the next critical business priority. A weak link or links in the executive team's sponsorship quickly dilutes the message as it cascades through the organization. The next thing we know, part of the organization has fallen into the "black hole"—no information is passed along, no accountabilities are in place to ensure compliance, and six months later, the change has not been implemented.

**Leadership** is a set of processes that creates organizations in the first place or adapts them to significantly changing circumstances. Leadership defines what the future should look like, aligns people with that vision, and inspires them to make it happen despite the obstacles (Kotter, 1996, p. 25).

Senior executives tend to move more quickly through the change process because of their position in the organization. William Bridges, a management consultant and author of *Managing Transitions*, calls this the *marathon effect*. Leadership can see the ultimate goal before others in the organization may even know that the race is on (Bridges & Bridges, 2000, p. 30). Moreover, the change process may have been in their thoughts for some time, so instituting the change does not seem so precipitous to them. Therefore, senior management should be reminded that others in the organization have less information, will be resistant to letting go of the status quo, may lack a sense of the "big picture," and will need time to transition to the future state.

## Change Management for Systems Implementation

One of the common reasons systems fail is not the technical aspects, but rather the failure to properly communicate, prepare, and support users. A key component of this is addressing change management in the implementation plan. Just as a new driver needs experience actually driving a car, a knowledge of how to operate a car, and an understanding of the laws, system users should be prepared to be successful when a new technology solution is introduced. This starts with the concept of sponsorship—communicating why this change is important to the organization or why this system is being implemented. Users want to know what impact it will have on their jobs, how they will be trained, and whether they will be able to do their jobs as well with the new system as they did before. Earlier we discussed resistance to change and fear of the unknown. If employees know how to do their work using an old technology or even manual processes, they have adapted and get things done one way or another, and this provides a certain level of comfort and confidence. When faced with a new technology or system, there is a natural fear of the unknown. Senior leadership can help reduce employee resistance by explaining its vision and its importance to the organization's success, and by providing assurances that employees will have access to the appropriate communication, training, and ongoing support to help them succeed in their jobs.

This is why the concept of cascading sponsorship is important—there cannot be a one-time large town-hall meeting after which employees never hear anything more. Ongoing communication, status updates, training plans and schedules, etc. are needed to gain the employees' confidence that they will be supported and can be successful.

Often when a system is implemented, the business process changes as well. It is important that users understand how the business process is changing in addition to how to navigate and use the new technology. A simple analogy—think of driving to a new location you've never been to before in a new vehicle you've never driven before. You receive training on how to use the new car, but no directions or information on how to get to the new location. Both are equally important for success.

Unfortunately, it is not uncommon that communication and training are short-changed at the end of a project. Time is running short, and the team is trying to hit the planned implementation date. This can cause major issues. The communication and training steps are equally important milestones in the project plan. The project manager should monitor these activities along with the more technical aspects of the project.

As we recognize that the rate or amount of change within organizations continues to accelerate, the strategies presented here can help organizations and individuals more readily adapt to the changing environment and reduce disruption to productivity. Three critical areas are:

- **Leadership** must demonstrate vision, commitment, and management to guide the organization and show sustained sponsorship for change initiatives.
- **Project management** practices with a focus on the people aspects will provide more consistent delivery of successful projects on time and within budget.
- **Change management** strategies to address the natural resistance to change and fostering resilience characteristics in the corporate culture can increase the organization's capacity to assimilate change more quickly.

The focus on the human aspects we have discussed in this section will help the organization as a whole and help ensure the effective implementation of technology solutions to support the business strategy. Ignoring the human aspects will cause even the best technology solution to fail in meeting its objectives.

## References

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