

THE EIGHT CONSTANTS OF CHANGE

What Leaders Need to Know
to Drive Change and Win

STACY AARON & KATE NELSON

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Credits
Design, art direction, and production
info@BackPorchCreative.com
Kathleen Green, Positively Proofed, Plano, TX
info@PositivelyProofed.com

INTRODUCTION

Change is constant for today's organizations. But change is hard.

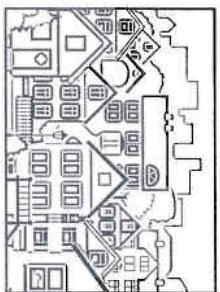
We knew that writing a book about organizational change – change that makes a difference in the way companies work – would be an ambitious undertaking. But when change is successful, it becomes the lifefblood of the organization. However, from our experience helping hundreds of organizations effectively change, we know change can fail miserably.

If organizations want to make effective change, they need to recognize and deal with the eight constants, the eight undeniable truths about change. In achieving any type of change, these eight constants can't be avoided, but we can work with them, mitigate their impact and use them to our advantage.

In this book, we have identified the eight critical constants for leaders to understand and address in order to create successful change.

The chapters that follow stress the need to focus organizational change efforts on the people within the organization, to actively lead change and to harness the power of authentic communications and relationships to fuel successful change.

We hope you find this book useful in your efforts to make transformational change occur within your own organization.



IT TAKES A VILLAGE

*Organizations change when
the people within them change*

It takes a village to change an organization. Not just the chief, not just the elders, but the entire village.

In its purest form, an organization is really just a bunch of people. Sure, there are processes, systems and rules that unite these individuals into groups, but it really just comes down to people. The head honcho can declare change will happen, but an organization can't really change until the people within it change.

When people experience change, they go through a personal transition that affects what they feel, think and do. Understanding these personal transitions helps organizations identify how to secure commitment from the villagers so the change will be successful.

IT'S THE PEOPLE

Organizations are constantly looking for ways to work faster, smarter and better. In the past, the shelf life of any given product or solution was several years, if not longer. But as the world flattens and information flows and competition cranks up to unprecedented levels, obsolescence chases today's products and solutions like a relentless predator. What used to be a good strategy for a few years is now only good for a few months. The future is change.

It is relatively easy for organizations to put new processes, structures and rules in place, but if the villagers are not committed to new ways of thinking and acting, those processes, structures and rules won't yield the expected results.

Organizations often make change an event and describe it in finite terms, such as "the go live," "the closing on the acquisition" or "the product launch," but the change doesn't really happen until employees go through their own personal transition. For the individual, change is a journey, not a destination!

Organizations that excel at making changes with staying power do more than think about strategies, implement process improvements, incorporate technology innovations and respond to market forces. Those companies also consider the implications of those actions and how they impact the people who make the whole organization come together.

Companies good at making changes understand that goals are met through the collective actions of their people. Trying to improve quality? Increase customer satisfaction? Lower costs? Improve processes? Innovate? It's the employees who impact quality of products and services, interact with customers, use resources and create new ideas.

"But," you may be asking, "What about the plan? What about our goals?"

A plan is just a piece of paper if no one is willing to follow it, and a goal is just a number if no one cares about achieving it. Remember, change is about people supporting the plan and striving to reach the goals.

For most organizations, change is now a constant because competition and environmental forces continually drive organizations to change. But, simply surviving change isn't good enough anymore. Companies that can thrive despite change are those that sustain their competitive advantage.

The challenge, however, is the uphill climb for organizations striving to be faster, smarter, better. Study after study tells us most organizations trying to change will fail, and most will fail because people issues get in the way.

A study by the Hay Group in 2001 showed 70 percent of all change initiatives fall short of expectations. Very clearly, the hardest parts about changing an organization rest with people.

In 2005, benchmarking firm Prosci asked representatives from 441 organizations to name their biggest hurdle in effecting change. The most common answers focused on people-related issues: resistance from employees, inadequate senior management sponsorship and cultural barriers, to mention a few.

It's rare to see a project fail because the organization defined the wrong strategy, designed a bad process or built an ineffective technology. It's more common to see a strategy only implemented halfway and, therefore, fall flat on its face.

We've also seen many processes that looked great on paper but did not yield any business value because process workers didn't buy into the changes, but worked around them. We've seen more than a few expensive and complex IT systems that did not yield the forecasted business-case benefits. Why? Because people were not prepared for the new level of discipline or the rigors the systems required.

Once again, the most common mistakes that trip up organizations involve people by not ensuring:

- ♦ they are ready (they know what is expected of them and when)

- ♦ they are willing (they have a desire to be a part of the new organizational direction), and

- ♦ they are able (they have the tools and skills to do what is expected of them) to think and act in the ways needed for change to be successful.

So ... it does, indeed, take a village! People matter. They can make or break an organization's effort to change.

Now, let's be clear. Every single employee within the organization doesn't have to be singing the praises of the change for change to work. However, a critical mass needs to be ready, willing and able to act in the ways required for success in the new paradigm.

WHY PEOPLE MATTER

You're probably asking, "Why do people have such a tremendous impact on the success or failure of organizational change?"

By their very nature, people react *emotionally* when asked to think or perform their jobs in new ways. Their reactions to change are driven by human emotions.

Those human emotions involve stages of denial, anger, confusion, and a range of other emotions. Moving through these emotions takes time. Eventually, people move into phases of hope, optimism and commitment to the new ways of working.

ON THE CUSP

As people move through their individual transitions as organizational change occurs, their behavior will vary. So what is really happening at an individual level when people are going through change?

In part, they're seeking to re-establish their own sense of control, understanding and purpose.

When an organization is going through change and people are thrust into their own personal transition, they look for control. They often think that change is happening "to" them ... and something – anything – happening "to" them is an uncomfortable feeling for most.

Individuals who don't find outlets to re-establish a personal sense of control will flounder longer than people who are able to focus their energies on small tasks that they can manage.

During change, people try to gain a new understanding of the way things will work and how they can be successful in the new environment.

In the midst of change, people also crave information, often filling in the blanks so that they can fit themselves and their future into the new context. If people don't have what they need to develop an accurate understanding of the future and their role in it, they will fill in the blanks by themselves – whether the information is accurate or not.

People naturally seek sources of support during times of change so they don't feel like they are going it alone. In many cases, the rumor mill will become more active during times of change than during "business as usual." Why? Because people spend more time talking, speculating and commiserating, sharing their thoughts, feelings and concerns during change. If management doesn't provide a mechanism for employees to share their thoughts or speculation in a controlled way, they will do it on their own.

When people set out on a change journey, they'll also try to redefine their purpose. For better or worse, people often tie their purpose to their work. When they sense that familiar work responsibilities may be threatened or fear that they might not be successful at the new ways of working, they start looking for ways to validate their value and their unique purpose. This can manifest itself in many ways, including hoarding information from the change team to make sure they can protect their unique value.

In fact, the human emotions occurring during change are at least as important as other elements of the change. For this reason, emotional reactions need to be recognized and looked after as much as any other element of organizational change.

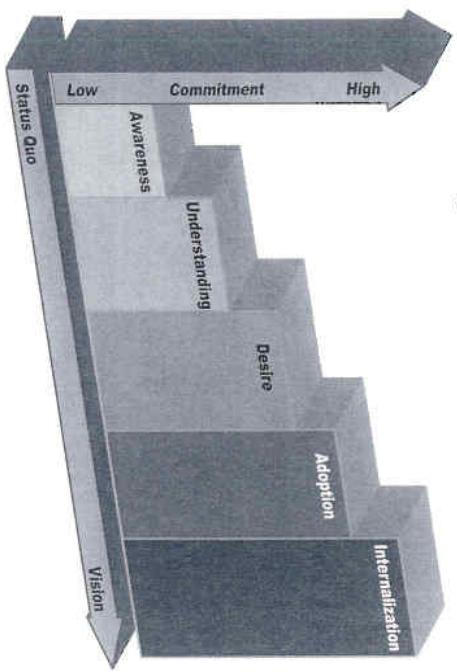
THE COMMITMENT PROCESS

As people go through these emotions, they develop commitment over time to a new way of working. Through our observations of hundreds of organizations, it is clear that people go through stages of commitment in order to become ready, willing and able to do something new.

But let's have a reality check. We are not talking about asking someone to use the side building entrance while the front entrance

is closed for repairs. We're talking about asking someone to think and act differently. We are talking about people who will spend a real chunk of their day doing things differently, making different decisions, communicating differently and thinking about their job or their customers within an entirely different context. For them, change will bring them into a brand-new world.

Stages of Commitment



Awareness – people have heard a change is in the works and are aware of the basic scope and concepts.

Understanding – people understand the impact of the change to the organization and to their specific group.

Desire – people understand the personal impact and benefits of the change and are willing to work to make that change happen.

Adoption – people start to actually work in the new ways that are needed for the change to be successful.

Internalization – people make the change their own and think of ways to build on the change to make it even better.

When an organization “flips the switch” on change, the people involved must desire being a part of the new way of working ... at a minimum. Once they have some time and practice with the new ways, they can adapt and, eventually, internalize the change.

OOPS – WE FORGOT ABOUT THE PEOPLE ...

A Real Life Example

A large U.S.-based manufacturer recently decided the only way they could sustain their growth of new products into the next decade was to start using engineering and design support from India.

The company wanted to double its research and development output but only wanted to increase its staff by a small margin. It made perfect sense – it was unlikely that the existing designers and engineers would figure out how to be twice as productive with the same amount of time and money. Using offshore resources to leverage the people they had was a great solution.

Leaders assigned people to teams and initiated projects to figure out how they could achieve this change. The company spent millions of dollars researching the best practices for working with offshore design resources. They investigated all of the suppliers and took dozens of trips to India to scout out the options in person. They then spent months establishing relationships with their preferred suppliers of design services and painstakingly outlined how people should go about initiating a project with these new “partners” in India.

It all seemed to be coming together!

The VP held a meeting with all of the designers and engineers in research and development and shared the new strategy. He went through a detailed presentation of how the new preferred suppliers would provide offshore design and engineering services. He even gave everyone a handout with the names of the preferred suppliers.

At the end of the meeting, there were few questions, so the VP figured all was well.

A few months later, the VP was meeting with a new product development team and asked them if they had used any of the offshore assistance. They had not. It was not a good fit for their product, the team members said.

At the next quarterly meeting, the VP called a group of his directors together and asked if anyone was using the offshore resources. Apparently only one team was ... the team led by the person who had done a lot of the legwork for the VP on how to use offshore resources.

When the company’s leaders explored the situation a bit more, they found several reasons their people were not using the offshore support: They didn’t understand the need for it, they didn’t trust it would work, they thought they might be training these offshore resources to eventually take away their jobs and they weren’t being measured or rewarded to do it.

What seemed like a great idea ended up being a complete flop. Why? Because all the “people” elements made this great idea fail.

Several months later, when the company “re-launched” the program, they got it right.

- ♦ They engaged people in helping define how to really make it work.

- ♦ They addressed the fears and questions of the staff.

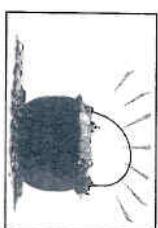
- ♦ They provided some real examples of products where they had used offshore design support successfully.

- ♦ They gave people the skills to use the resources well by providing them with training and coaches for using the off-shore resources.

- ♦ And they measured and rewarded people for using the offshore resources well.

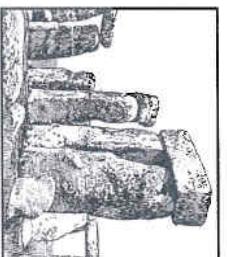
Are you and your organization ready for change? Take this short People Readiness Assessment to determine if you have the bases covered when it comes to taking care of the villagers. If you start with lots of “no’s” all over the place, then you need to think more about the people. Focus your efforts on changing “no’s” to at least “somewhat’s”. The most successful changes will be all “yes’s” when the change takes effect.

ASSESSING PEOPLE READINESS
The first step to effectively changing an organization is to recognize that people are a critical piece of the puzzle for reaching business goals. Because in the end, it really takes a village to change an organization.



The Golden Nuggets

People Readiness Audit	Yes	Somewhat	No
Do people know what the change is?			
Do people know the basic scope of the change?			
Is there a clear understanding of the need for change?			
Do people understand how the organization will be impacted by the change?			
Do people understand how the change will benefit customers and other groups?			
Do people know how they personally will be impacted by the change?			
Are people excited about the future?			
Are people willing to do the work necessary to make the change successful?			
Does the organization have the skills/competencies to get the job done?			
Are people actually trying out or doing the new things that are needed?			



AN OBJECT AT REST TENDS TO STAY AT REST

Resistance is inevitable

An object at rest tends to stay at rest. To change is to learn something new, to think differently, to act differently and to move in a new direction.

Great ideas, great people and great projects have fallen victim to resistance to change. Resistance to change means people are working hard to protect the status quo. When people who resist are ignored or pushed aside, they become formidable opposition.

In order to succeed at change, resistance and the people who resist should be viewed differently. Here's why:

Resistance is a natural part of the change process and exists in many forms. People resist for different reasons and in different ways.

To master change, you must first understand the personal, structural and physiological reasons people resist. When you understand resistance, you can learn to expect it and even use it to your advantage. Understanding and managing resistance is critical when you are promoting change.

IT'S PERSONAL

People have personal reasons to resist change. The most common personal reasons we have encountered are:

- 1) habit and fear of the unknown,
- 2) threat to expertise or prominence, and
- 3) differences in attitude and absorption rates.

1. Fear of the unknown is related to the human tendency to form daily habits. An employee understands the “today” at work. Most likely, she may park in a similar place every day, take the same route to her desk, work near the same colleagues, access data on her computer the same and go about her day in a fairly routine way.

Her day is predictable. Even “surprises” probably come from the same people such as her boss or a regular customer. Predictable daily events over time become comfortable.

When a leader announces a change, whether it is a new computer system, moving to a cross-functional team environment or even a move to a new building, it can be scary or, at the very least, worrisome.

The announcement of a change threatens this comfortable “today” the employee knows and introduces a “tomorrow” that she doesn’t know.

2. The second personal reason an employee may resist change is because it threatens his expertise or prominence. This relates to changing someone’s job or perception of himself.

Here’s an example: Joe works on the shop floor. He works a particular machine that stamps out fenders. This machine is tricky and breaks down a lot. Joe seems to be the only one who can fix it. He also has the best rate for quality compared to the other shifts that use the same machine.

When you ask Joe how he does it, he usually just smiles and says, “Joe magic.” Joe obviously takes a lot of pride in the fact he is #1 on this machine, and he’d like to keep it this way.

Now imagine how Joe would feel if he attended a meeting where the CEO announced that the line was going to be further automated and his beloved machine was going away. This announcement creates a threat to Joe’s expertise. He also may worry about losing value to the company once his machine is gone. Joe may initially resist this proposed change because it threatens his level of expertise.

Threat to prominence is based on the perception that something someone values will be taken away.

Put yourself in the shoes of a leader who values the size of the budget, the number of direct reports, the title or even the location of the office. This leader may resist any change that threatens one or more of these things.

Suppose the CEO announces a restructuring and office redesign. You’ve worked hard under the old system for 15 years. You’ve

worked your way up, from intern to VP. You think you've earned the corner office and the high-level responsibilities of your job.

- 3) lack of resources, rewards or recognition or,
- 4) lack of appropriate reporting or collaborative relationships.

Under the announced plan, the organization will be more of a matrix than a traditional hierarchy. Some of your most valued employees will no longer be yours but will be shared on cross-functional projects.

With the new plan, you feel a loss of control and power. In addition, all corner offices will be turned into common areas for team work. At first, this is a bit too much for you to take and your knee-jerk reaction says, "Whoa, no way!"

3. The third personal reason to resist change has to do with attitude and absorption rates. Some individuals accept change more readily than others. Some embrace change and innovation while others take a wait-and-see approach. Some even say to whoever will listen, "there is no way this place can pull this off."

We've all seen groups embracing change, while other groups take more time to accept a change. We've even seen the laggards who sometimes opt out – quitting the company or being asked to leave.

A LITTLE HELP AND UNDERSTANDING

Along with personal reasons for resistance, there also are structural reasons. A motivated and hard-working innovator still may not be able to change because of the lack of support around him.

Structural reasons include:

- 1) lack of skills or information,
- 2) mismatched evaluation system,

While these structural reasons all sound like formidable barriers, they can be overcome. Yet, we have seen organizations miss goals due to structural reasons.

For example, a worker who is evaluated on volume but is supposed to pay attention to quality gets a mixed message. Do they take a little extra time to ensure quality? If they do, volume will decrease. Since they are being evaluated on volume, they stick to volume and quality does not improve.

Finally, there are also physiological reasons people resist change. An article, "The New Neuroscience of Leadership" written by David Rock and Jeffrey Schwartz (*Strategy + Business*, Issue 43), explains how the brain must work much harder, taking more physical energy to do new things.

Resistance assures no new work will be required. In their article, Rock and Schwartz state that "after just a few months of learning to drive a car, people can typically drive "without thinking." If they then try to drive on the other side of the road, say in another country, the act of driving suddenly becomes much more difficult.

We all can relate to this because driving becomes automatic. We've all heard people say they don't even remember driving to work.

Compare that to driving to a new location where you need directions and a map. It takes more effort. This analogy can be translated to the work environment. If employees have daily habits and are suddenly asked to make new habits, the brain must work harder. This goes against the brain's natural inclination to conserve energy.

RESISTANCE IS GOOD

So, resistance to change is inevitable and comes in many forms and for many reasons. Because of that, resistance should be proactively managed and recognized early. When leading change, think of people's resistance as an opportunity to learn.

Create an environment of open communication that allows people to voice their concerns. Only after hearing the reasons for resistance can you determine if it is critical to the project's success. Once you listen, you need to do one of three things to respond to the resistance. Determine if it is:

1) a legitimate concern that needs further investigation,

2) a misunderstanding you can clarify,

3) unrelated to the project success.

You may encounter all three scenarios, but pay closest attention to the first because it is the most important.

1. Valid concerns about the change are important. If those concerns surface late in the project, momentum can be lost and the project can miss its original timeline or even be shelved all together. Leaders and managers can't know it all. Workers have valid concerns and their input makes the end result better.

The company was changing from a paper record-keeping system to an electronic record-keeping system. The project leaders proactively engaged the end users, holding regular update meetings and employing a good communication strategy, including making the rounds in different departments.

Concerned that resistance wasn't being brought to the surface, they started incorporating Q&A sessions and had us – an unbiased third party – survey the audience to uncover perceptions and concerns.

Things were going fairly smoothly until we went to the billing department. In this session, the project leader talked about how employees from the billing department had been involved in creating the data screens for the last few months, so the department should be happy with the end result.

As she relayed this information from a recent update meeting, several in the audience challenged her, saying, "That's not true."

2. Misunderstanding is very common and can be addressed with a good communication and involvement strategy, which is covered in chapters 6 and 7.
3. The third reason, unrelated to your project, may need to be documented and forwarded to the appropriate person or put on the back burner.

Only when you understand the structure and energy behind resistance can you do something about it.

In some cases, people may not be open and honest or may not even realize why they are resisting. In this instance, you need to be persistent and ask a lot of questions. With a sound strategy for uncovering and addressing resistance, you increase the chance of project success.

ASK AND YOU SHALL RECEIVE ...

A Real Life Example

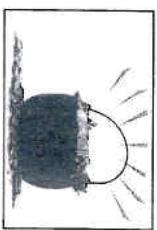
They had been approached only this week and were unhappy with the draft screens.

The project leader was taken aback since the audience's information ran counter to what she had been told. Not only was there resistance from the billing department, but more information was needed to undercover the cause of the misunderstanding.

Several meetings ensued until it was discovered that the IT department had been misrepresenting their work. Instead of following the project plan, they did things their way without telling anyone. Obviously, they were resisting their part of the plan.

Because the project leaders had started this dialogue with the billing employees early, the issue was uncovered three months before the new process "went live," allowing time to recover and make adjustments.

If they had not taken this proactive strategy of uncovering resistance, the billing department's transfer to electronic documentation would have been delayed, hurting morale and project credibility.



The Golden Nuggets

- ◆ There are personal, structural and physiological reasons to resist change.
- ◆ People adopt change at different rates.
- ◆ Resistance must be brought out in the open so everyone can better understand and address the change-related challenges.

UNDERSTANDING RESISTANCE

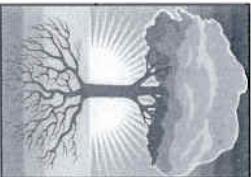
This exercise raises the awareness of the group (all levels of the organization) and helps them think about their own personal role in changing themselves and others:

1. Divide people into groups. Using flip charts, have them answer this question: "Why do people resist change, and how do they resist?"

2. After they've talked about resistance in general, ask them to each write down a time they have personally resisted change and why they resisted.

3. Ask them what resistance currently exists or what resistance they expect for your project.

4. Now you can come up with a plan to engage key people in addressing current resistance and uncovering other areas of resistance.



OLD TREES HAVE DEEP Roots

*Commitment to the past
hinders change in the future*

Have you ever pulled weeds? Weed roots are a couple of inches long and pull out easily.

Have you tried to move a tree? It's impossible, unless you have heavy equipment. Tree roots grow two to three times the height of the tree and go several feet deep into the earth.

Organizations can be like old trees, rooted in tradition in the same spot and the status quo. We have found three forces that help determine how deep-rooted an organization is. These forces are:

- 1) the employees' perception of the company's current state,
- 2) the number of changes implemented over the past few years and their track record,
- 3) cultural values, beliefs and exhibited behavior.

These forces can help or hinder a change. Therefore, it is critical to understand these forces, their challenges and the potential benefits they represent.

PERCEPTION IS REALITY

For change to be possible, people have to believe that the change is worth doing – either because there is something wrong with the way things are being done or that there is a future that is much brighter than today. The idea of change can be a hard sell if the people believe everything is great just as it is.

Perception is reality. If the company seems fine, employees will think there is no need to change, even if the company must change to be competitive and survive.

If employees see leaders driving expensive cars, new computer equipment being installed and consultants roaming the halls, they conclude that all must be well. These cues say, “the company is spending a lot of money and is successful.” They also promote the perception that the status quo is great – and these roots run deep.

In this situation, the employees’ perceptions must be changed before their actions will change.

To create this change, the current situation must be reframed in a way that gets the employees’ attention. This reframing will get people unstuck, get them to pay attention and, most importantly, get them to care about new ideas.

Reframing also helps employees recognize there is something wrong with how things are done now and change is a top priority.

To change their perceptions, employees need new information, new cues and new messages.

Much has been written about this reframing, creating a sense of urgency and developing a case for change. To change employees’ perceptions and motivate them to think and act differently, three elements should be included:

1. An articulated vision. Here’s where the company is headed and what it looks like – not just from an overall perspective but from a worker perspective.

2. A description of future opportunities. Here’s what to expect if we achieve this vision. Here are the new opportunities, such as introducing new products, expanding globally, business growth or job creation.

3. A description of consequences. Here’s what will occur if we don’t reach this vision. Here are the consequences, which could mean decreased market share, cost cutting or layoffs. These elements should not be seen as threats or an impossible dream. In the reframing process, leadership should be clear and honest. An initial jolt to change perception is critical in getting everyone’s attention.

But, on the other hand, what if it is known throughout the organization that sales have decreased, budgets are being cut and financials are poor? Then, the stage is already set for a message of change because the employees’ perceptions are aligned with reality.

In this scenario, the employees may even be waiting for leadership to step up and tell them what needs to be done to improve the company and protect their jobs. However, while the leaders still need to communicate their case for change, this audience will not be as surprised as employees of the company where everything

seems fine. That's because the soil around these roots is looser and the roots aren't so strong.

FLAVOR OF THE MONTH

There are usually three typical scenarios, or flavors, that describe past changes in an organization:

- 1) "Plain vanilla" – nothing new has been introduced and nothing much has changed for a long time.
- 2) "Rocky road" – change has been tried in the past and unsuccessful.
- 3) "Peachy" – several initiatives have been introduced over the past few years and most have been fairly successful.

If nothing has changed in your company for a long time, change will be hard. The organization's flavor might be described as "plain vanilla." The longer a group, individual or situation has remained static, the greater the investment in the current way of doing things and the greater the resistance to change.

The fact that people are proud of what they do and how they do it is a great thing – except when you want to change it.

At the other extreme, you'll find that employees can get accustomed to change and even thrive in that environment. However, employees unaccustomed to change will be surprised and possibly shocked when something different is introduced. As change occurs, they will need to learn a new competency – a competency of coping during times of change. This competency takes time to build, and until employees learn to cope with new or different ideas, this company will be slow to change.

On the other hand, if the CEO has a habit of announcing the "initiative of the week," change will be hard for different reasons. These roots run deep, as well. This is "rocky road."

These initiatives seem to arrive with a splash and then disappear, never to be discussed again.

When these "flashes in the pan" or "weekly initiatives" never achieve traction, they are failures – and there are many direct and indirect costs associated with failures. Direct costs include wasted resources, unmet objectives and failed strategies. The indirect costs of failure, which are just as critical, include lower morale, less confidence in leadership, increased resistance, increased cynicism about future initiatives and increased concerns about job security.

When a company has a history of failure, it is critical to position the new initiative as different from the past. There are many ways of doing this, including how:

- 1) the audience is approached and included (chapters 4, 6 and 7),
- 2) leadership acts (chapter 5),
- 3) the change is sustained (chapter 8).

If a company has a recent history of success and the proposed change is a good one, the change will be more easily accepted. This creates the "peachy" scenario.

Change always takes hard work, but this "peachy" type of company has employees who are becoming accustomed to change and know it makes the organization better in the long run. These employees are building a change competency.

The roots are there, but it is a young tree with shallow roots near the surface.

THE CULTURE FACTOR

Culture impacts an organization's ability to change and the speed of putting these changes into place. As consultants, we've observed certain elements of an organization's culture that can either improve or hinder the organization's ability to implement change.

Culture is shared beliefs and values demonstrated in behavior patterns. Culture is visible every day in what people in an organization do and say. There are many ways to define and demonstrate culture, but we've found the following elements and activities say much about an organization's culture:

- ♦ the messages leaders send with their words and actions;
- ♦ how people communicate;
- ♦ how people view conflict and whether it is encouraged or squashed;
- ♦ how employees are supported, both professionally and personally;
- ♦ how people learn and share knowledge;
- ♦ what types of behavior is reinforced;
- ♦ and, of course, how they view change.

When we work with a company, we find employees are more accepting of change when these characteristics are present:

- ♦ managers and leaders have a collaborative approach to decision-making;
- ♦ managers have a proven track record of doing what they say and are trusted;

- ♦ employees believe change is possible (lack cynicism);
- ♦ people at all levels of the organization tend to be action-oriented and are open to new ideas and dialogue;
- ♦ learning is valued and promoted;
- ♦ there is a belief that things can be better.

Whatever the change, it will be more successful if it is consistent with the company's beliefs and values.

An organization we recently worked with had immaculately groomed gardens around its headquarters, beautiful marble floors throughout their offices, and encouraged the use of the most elite consulting firms around. When they began an effort to cut costs by adopting lean work processes, the organization was completely confused. They had a hard time even understanding what cost cutting meant given their pattern of spending.

Furthermore, there are some cultural attributes that make any kind of change hard. In a culture where leaders can't be questioned and employees don't trust management, change will be difficult. In cultures where no one makes a decision for fear of making a mistake, change probably won't happen easily, either.

Cultures that are inwardly focused also don't change well. The people in these inwardly focused organizations don't have a good understanding of the outside world (customers, competitors and their industry). If employees or leaders protect the status quo or are closed-minded, don't count on change happening.

There are many organizational forces that encourage or hinder change. Employee perceptions, the level of success of past initiatives and cultural characteristics all play a role in how change is received. These attributes need to be considered when implementing change.

Improves ability to implement change	vs.	Hinders ability to implement change
♦ Collaborative leadership style		♦ Authoritarian leadership style
♦ Trust in management		♦ Distrust of management
♦ People believe change is possible		♦ People believe change is not possible
♦ Action-oriented		♦ Analysis paralysis
♦ Openness to dialogue and ideas		♦ Close-minded
♦ Unease with current state		♦ Value status quo
♦ Learning organization		♦ Inwardly focused
♦ Consistent with beliefs and values		♦ Not consistent with belief and values

Before trying to implement change, it's important to find out how deep these roots run in your company.

In general, the people who work at this company are eager to see improvements and are excited to win in the marketplace. However, their hesitation to do something new or different sometimes hinders competitiveness. They are action-oriented and take great pride in the organization.

The founders asked us to assess what elements of their culture could hinder their growth and what strengths they should further capitalize on.

After reviewing the results from their culture assessment, the founders realized their behavior was setting the tone. With this in mind, they started pushing decision making down to the next level of management.

CULTURE STARTS WITH LEADERS

A Real Life Example

A mid-size service organization is about to reorganize and change its core business processes. The organization has 80 employees who are generally young and energetic. The organization has grown quickly; the former ways of working are no longer effective.

The leaders of the company are the founders. They expect to be involved in all decisions that happen in the organization and have a hard time "letting go." The founders tend to tell people what to do rather than work collaboratively to get things done.

They asked key managers to take a more visible role championing new ideas and initiatives. They pushed back when asked to make a decision, simply saying, "You decide." Social activities were incorporated into the calendar and attitudes slowly improved. Employees were encouraged, and the business started to grow. Not without its bumps of course, but they are on the right track to succeed and have implemented changes successfully.

Culture change takes time, but it can be done with a vision for the future, the right leadership, an understanding of the challenges and a plan for change.

suggestions on how to address any misperceptions about the company.

- b. Does this organization launch a lot of projects? Support your answer. If the answer is "yes," are these successful? Why or why not? After this discussion, have a group come up with "lessons learned" from past project launches.



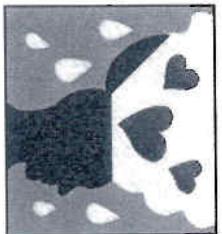
The Golden Nuggets

- ♦ If employees perceive that nothing is wrong, nothing will change.
 - ♦ The success or failure of past initiatives impacts how people view future initiatives.
 - ♦ Culture can hinder or support change.
-

HOW DEEP ARE YOUR ROOTS?

This exercise requires participants to be honest. Sometimes doing the exercise with peer groups provides the best results. Otherwise, participants can be intimidated when their boss is in the room. Use a neutral party, possibly from outside the organization, with strong facilitation skills to manage the group.

1. In the first group of meetings, divide people into groups and have them answer these questions:
 - a. How well is the company doing financially and compared to its competitors? Why do you think this? After discussing the responses, have the group come up with



GET TO THE HEART OF IT

*Connecting to the head and
the heart builds commitment*

Individually and as a group, people are not rational beings. When considering change, remember – there is an **emotional** connection necessary for people to commit to new ways.

Unfortunately, change is not always viewed as rationally as we would like. When people experience change, they go through an emotional transition. And, because there is emotion involved in change, there also is a need to appeal to the heart as well as the head.

But before we move on, let's clarify one thing: Connecting with people and appealing to their heart is not about coddling them and singing "Kumbaya." Connecting means helping people develop a belief and mindset that will drive the behaviors the organization requires.

Connecting requires an ability to change people's perception of what is happening rather than just focusing on the hard-and-fast facts. It requires using and recognizing "tacit" or unspoken communication. And real connection requires leaders to define what the change will mean for each individual rather than just the organization.

THE INVISIBLE LANGUAGE

Much communication happens in the workplace, and not all of it is visible. "Tacit" communications and interactions, for example, are understandings that are shared without being openly expressed. These invisible communications are significant drivers of professional productivity.

Communication within an organization includes messages that are neither verbal nor written. These communications and interactions drive thoughts, feelings and choices about projects, coworkers and purchases. They drive what information, ideas, products, services and people will be embraced or ignored. These messages are subtle but can drive an overall course of action.

Dr. Charles Galloway, an expert in nonverbal communication, said, "Exchanges without words – such as looks, glances, agreements and actions that go beyond the obvious – weigh heavily on decisions and judgments."

He continued by saying, "Decisions are made every day, based on unstated agreements among workers about relationships with each other and their managers ... it's a silent language."

How many times have you caught the eye of a coworker during a meeting? Without words, you knew you both were thinking the same. The message you exchanged with that glance could have

meant, "This is a ridiculous sales goal that we can't make and this manager doesn't know what she's talking about."

At the end of the meeting, you both walked out of the room feeling little commitment to the sales goal, supported with the knowledge that at least one coworker felt the same as you (even though nothing was ever said).

Tacit interactions are subtle. Yet, these communications play a major role in how employees relate to each other and the decisions they make every day. Paying attention to invisible or tacit communications and interactions help you better understand why these relationships and decisions occur.

When engaging people's hearts and minds, being aware of tacit communications is necessary because these invisible messages shape deep-seated beliefs that are hard to counter or combat. These beliefs may be wrong, but if you don't know they exist, it is hard for you to help people change them. When tacit understandings are driving behaviors, connecting emotionally is even more important so that we can dispel any inaccurate unspoken beliefs.

THE INVISIBLE LANGUAGE IN ACTION ...

A Real Life Example

Two new managers in an organization were adjusting to their roles. Even though they had the same titles and similar responsibilities, their perspectives couldn't have been more different.

Joe had failed repeatedly to collaborate with other parts of the organization. He was frustrated by the extra effort it took to get others to pay attention to issues. He wondered why it took so

much effort to get others on board for projects that were in the company's best interest.

Steve, on the other hand, was being invited to participate in other department's meetings. He was working well across groups, received information readily and made decisions well with others. Steve was having great success, while Joe seemed to have invisible walls around him. Who was getting more done? Almost certainly Steve.

It seemed understood by coworkers that Joe's ideas and issues were not important. It's possible no one ever said it out loud, but people were acting on that tacit knowledge.

For the most part, people ignored Joe. They made his projects a low priority, they didn't find time to meet with him, and they waited to return his e-mails. In contrast, it seemed understood that Steve was a worthy contributor. He was included and listened to. Again, it is doubtful that this was explicitly talked about, yet everyone knew it.

This tacit knowledge about Joe and Steve impacted their relationships and productivity. And while this behavior went on silently, it was hard for Joe to really do anything to change the dynamic that had developed around him. Eventually, Joe quit because he was frustrated that he couldn't get things done.

The tacit understandings of the people in the organization drove the belief that Joe was not important. Attitudes were formed and behaviors followed.

If Joe had recognized early on that there were forces at play other than the explicit conversations he was having, he may have been able to "read between the lines" and possibly get to the core of why he was being disregarded.

CHANGING REALITY

Perception is reality. What a person *believes* to be true *is* essentially true for them. Perception is shaped by experiences, motives, interests, expectations and a whole host of other factors. When it comes to change, the most important thing to know about perception is that it influences people's attitudes and behaviors.

Connecting to the heart rather than just the head helps change deeply rooted perceptions that can really drive behaviors. Changing perceptions is not easy, but by using thoughtful influence and persuasion, it can be done.

Using influence and persuasion does NOT mean begging or forcing. It means moving people to action through developing a shared view. This requires careful preparation, appropriate framing of arguments and finding the right emotional match for the audience.

This doesn't mean smoke and mirrors or slight of hand. It means being up-front and honest about your intent to influence behavior.

Building credibility, framing goals and using appropriate reinforcements will set the foundation to connect emotionally with people.

Many leaders rely on their expertise to build credibility. That's a great start. Having a proven track record for making good decisions and being well informed gets the ball rolling. And, don't forget, your relationships, reputation and personal attributes will also help build credibility.

A person who is known for having strong character and being truthful will have much more success influencing and persuading others than someone who doesn't have the same reputation.

When framing goals, find common ground with the people who need to be persuaded. Putting yourself in their shoes will help you gauge what is important to them. Describe the change in terms that emphasize advantages your specific audience will value and appreciate.

And strive to connect emotionally with people. Share your personal emotional commitment to the position you are advocating. Show them your commitment is not just in your mind but in your heart, as well.

There are, however, some fatal flaws that people make when trying to influence people. Keep your eyes out for these mistakes to avoid when changing perceptions.

Common mistakes in influencing people

1. Attempting to make your case with an up-front, hard sell.
 - ◆ A strong position at the start gives potential opponents something to fight against.
 - ◆ Present your position with finesse and reserve.
2. Resisting compromise.
 - ◆ Persuasion is a process of give-and-take.
 - ◆ People need to know that a persuader is open to their concerns.
 - ◆ Compromise can often lead to more sustainable shared solutions.
3. Thinking the secret of persuasion lies in presenting great arguments.
 - ◆ Arguing your position is only one part of effective persuasion. You still need to rely on other tactics, like connecting emotionally and communicating effectively.
4. Assuming persuasion is a one-shot effort.
 - ◆ Persuasion is a process that involves listening, testing a position and compromising. It is not an event.

WHAT'S IN IT FOR ME?

When it comes to change in an organization, most people want to know, simply and honestly, "What's in it for me?" This is human nature. Sure, I want to know how the organization is going to benefit. I want to know how great the change is going to be for our customers ... but when the rubber meets the road, I want to know, "What's in it for me?"

A large medical equipment manufacturer that produces products in Mexico has a great work force of committed employees who travel from other areas of Central America to work for the big manufacturer.

Last year, the company came up with a great new product that had the potential of revolutionizing medical care and saving countless lives.

When leaders of the company were ready to roll out the new product (along with the new production lines and processing techniques the product would involve), they wanted their employees to know the importance of this new product. By doing so, they hoped to motivate the employees to readily adopt the new manufacturing techniques.

To achieve this, the leadership had professional video clips of people who had been saved by the device. There were also tear-jerking pictures of those suffering who could be helped by the new product. And there were moving tributes about those who had suffered and who could now be saved by the new product.

All in all, it was a motivational campaign for the folks in the U.S. who were selling the product to doctors and hospitals. Every time the new product and treatments were mentioned, the American scientists and engineers who had developed the product swelled with pride. They called their campaign the "passionate plea."

When the “passionate plea” campaign hit the shop floor in Mexico, it didn’t make much of a splash. Not because the people making the products didn’t care about those they could help by working on the new production lines. They cared a lot about them. However, they cared even more about their own families back home who could not afford food let alone the most basic of health-care services.

As they watched the “passionate plea” campaign, they knew that their families and friends would never see the benefit of these great medical advances, so the campaign didn’t move them to change their behavior.

The shop-floor workers were not chomping at the bit to learn the new equipment and processes simply because the campaign had been rolled out. What they cared about was more basic:

- ◆ Was the new machinery more difficult to use?
- ◆ Would it be more physically demanding to work on than their current machines?
- ◆ Would the company still need the same number of shop-floor workers?

While the “passionate plea” had a place, it clearly didn’t answer “What’s in it for me?” for the production workers.

To truly connect with a change, it is important to appeal to both the head and the heart when helping make someone ready, willing and able to work on new products and in new ways. Just remember, the most important issue for people everywhere is, first and foremost, “What’s in it for me?”

LOSING JOBS - WHEN IT GETS REALLY PERSONAL
It is always important to engage people’s hearts when making change happen. However, when an organization is going to eliminate jobs, the nature of the connection changes.

When organizations go about changing, the impact on people is often an afterthought. Some leaders are so focused on achieving the change, they lose focus on how people are treated. The impact is on how smooth the transition is or how productive the organization will be.

There are two primary groups within your organization to consider when you are eliminating jobs: the people who will lose their jobs and the people who will be left behind.

If eliminating jobs does not take into account the needs of the people who are impacted, the gains you hope to make may be offset by large-scale disengagement, decreased productivity and massive turnover.

To say anyone is a “non-affected employee” during any downsizing or reduction in force is not accurate. During organizational transition, everyone is affected (even the leadership team). People who will lose their jobs are obviously impacted. What about the employees who don’t lose jobs, may experience guilt that they “survived” and fear that they may be next?

How we help both groups transition is completely inter-related. For the “survivors,” the #1 factor contributing to their experience in the transition is their observation of how those who lose jobs are treated.