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Managing Change

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To the extent that we have working concepts and models of the change process, we can better deal with and make change work for us rather than against us.

Change is Great, as Long as it Affects Someone Else

CALVIN AND HOBBS / By Bill Watterson



The Rules are Changing

The Why

Environmental/ Societal Change:

- Technology
- Economy
- Government
- Society
- Customer/Competitors

The What

Organizational Change:

- Strategies
- Structures/Delaying
- Practices
- Processes
- Products

The How

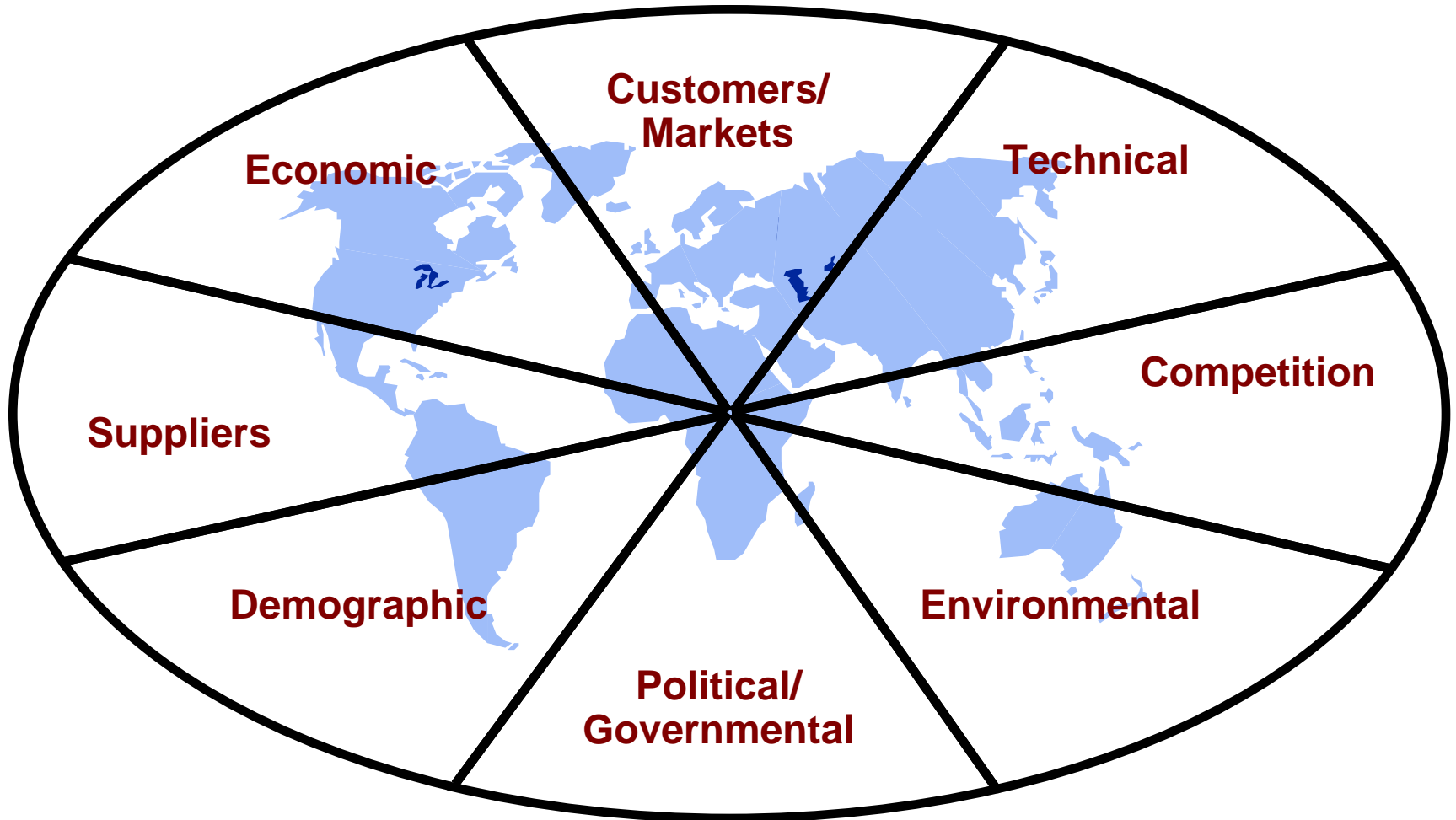
Personal Change:

- Role
- Responsibilities
- Habits
- Thinking
- Values
- Behaviors

Environmental Change

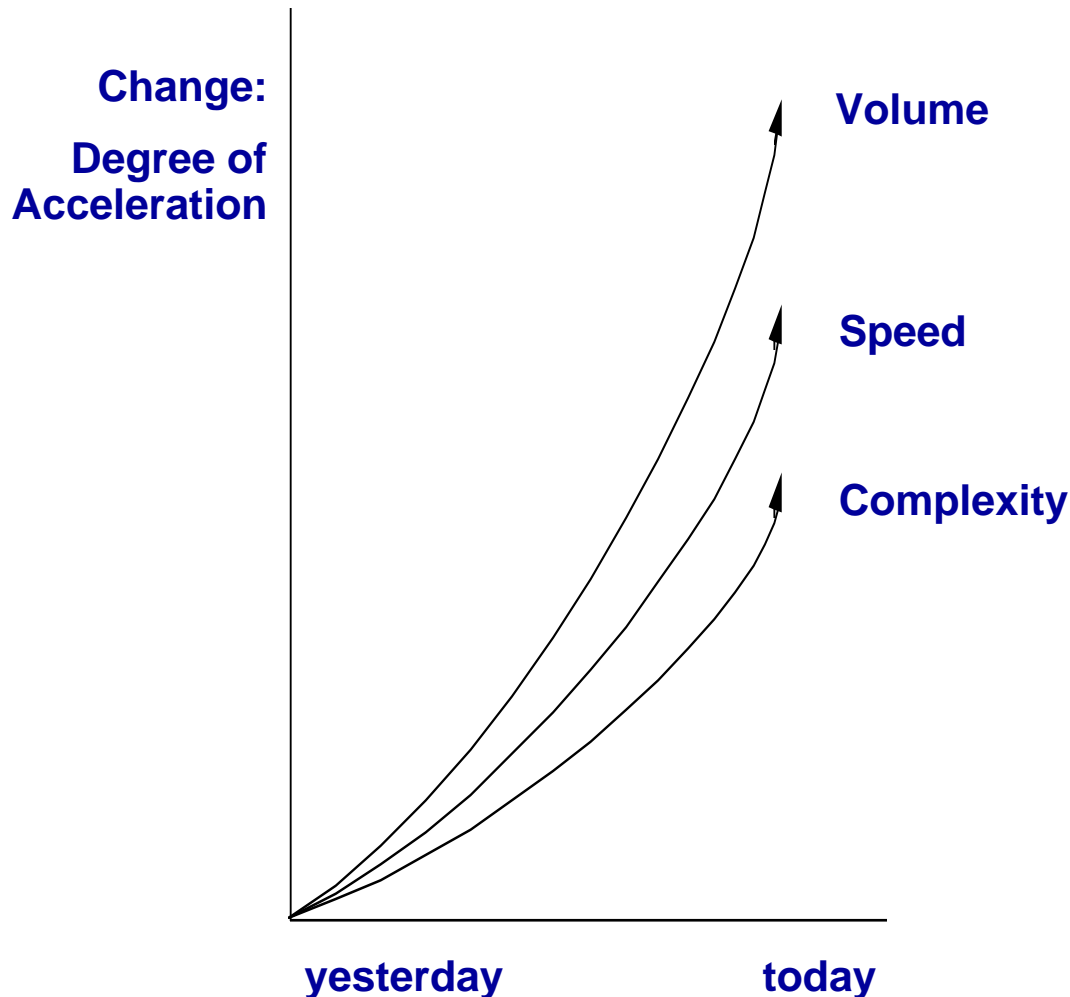
“The Why”

The Forces of Change



The question used to be: What changes have you recently experienced? The new question is: What changes haven't you experienced in the past several years?

Increasing Impact of Change



Key Implications

- Fundamental change will be the “norm” for the foreseeable future
- Less time to react; less predictability and control
- Adaptable, flexible organizations will enjoy a distinct competitive advantage over rigid, static ones

Organizational Change

“The What”

Workplace 2000

- Future Shock
- Chaotic Change
- “Non-Stop” Change
- Permanent White Water

Change is the only sure thing in business today. Now, more than ever, organizations must find ways to manage and master change.

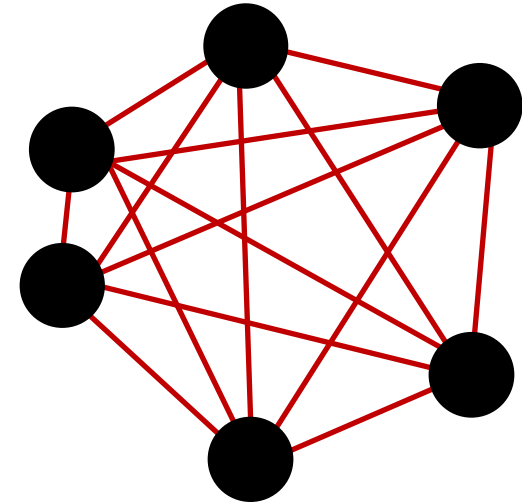
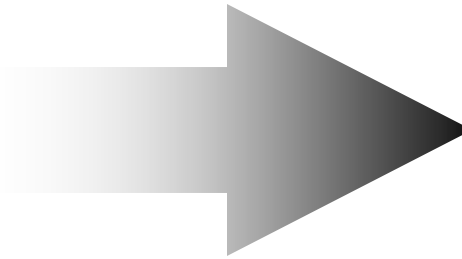
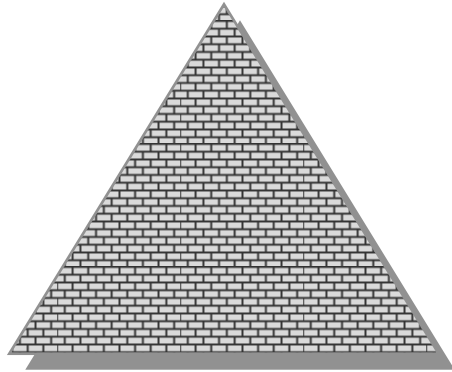
Characteristics of High Performance Organizations

The description of the successful company in the future:

- Flatter (fewer layers of organizational structure)
- Cross-functional teams organized around work processes
- Oriented toward differentiation, producing high-valued goods and services, creating niche markets
- Quality-conscious
- Service-conscious
- More responsive
- Much faster at innovation
- Highly-trained, flexible people as the principal means of adding value
- Internationalist
- Smaller (stand-alone, small within big)
- Gain sharing, participation, adding value through people

Companies such as GE, DuPont, IBM, and P&G have been implementing this prescription for success

From the Pyramid to the Network



“A combination of forces — from the rapidly changing business environment to the new workforce to astonishing advances in technology — is forging a breakdown of the large traditional

“About 2,000 years ago, the Chinese invented hierarchy. Since then, in our military, public service and commercial organizations alike, we’ve been polishing that idea of hierarchy. . .

But the new-look organizations, from Apple Computer to Federal Express to Wal-Mart to Chaparral Steel, are, even as they attain monster size, fundamentally different, featuring virtually nonhierarchical ways of doing business.”

— Thomas J. Peters
Twenty Propositions About Service

Continuous Improvement vs. Transformational Change

Continuous Improvement	Transformational Change
<ul style="list-style-type: none">• Does not challenge assumptions or value of existing culture• Modifies, slightly improves the overall operation; optimization• Uses existing structures, procedures and processes• Minor disruption to “status quo”• Relatively low risk	<ul style="list-style-type: none">• Attempts to alter the culture• Focuses on significant, breakthrough improvements• Challenges the relevance of existing structures, procedures and processes• Dramatically alters the “status quo”• Relatively high risk

Transformation Change

A large-scale “transformational” change is typically aimed at:

- Fundamental rethinking the way work gets done and reshaping associated processes
- Permanent and breakthrough performance improvements
- Measures to monitor the new processes and drive continuous improvements

Transformational Change: These Promote Success

1. Strong and widely-felt need for change
2. Combination of top-down and bottom-up
3. Must understand thoroughly before changing it
4. Leadership must demonstrate commitment
5. “Quick wins”
6. Single theme for change
7. Widespread dispersal of information
8. Change management
9. Commitment requires time, education, and opportunity to challenge
10. Early involvement by those most affected
11. Progress occurs in fits and starts
12. Drive toward critical mass

Response to Change

A common misconception is that if you order people to change, they will.

People change by being led, not by being told.

The Myth:

- Instant
- Painless
- Quick

The Reality:

- Slow
- Expensive
- Difficult

Change requires individuals and organizations to think, act, and perform differently

Personal Change

“The How”

Understanding Loss

- When change occurs, something ends
- Something new or different begins
- The period in-between is one of adjustment or transition

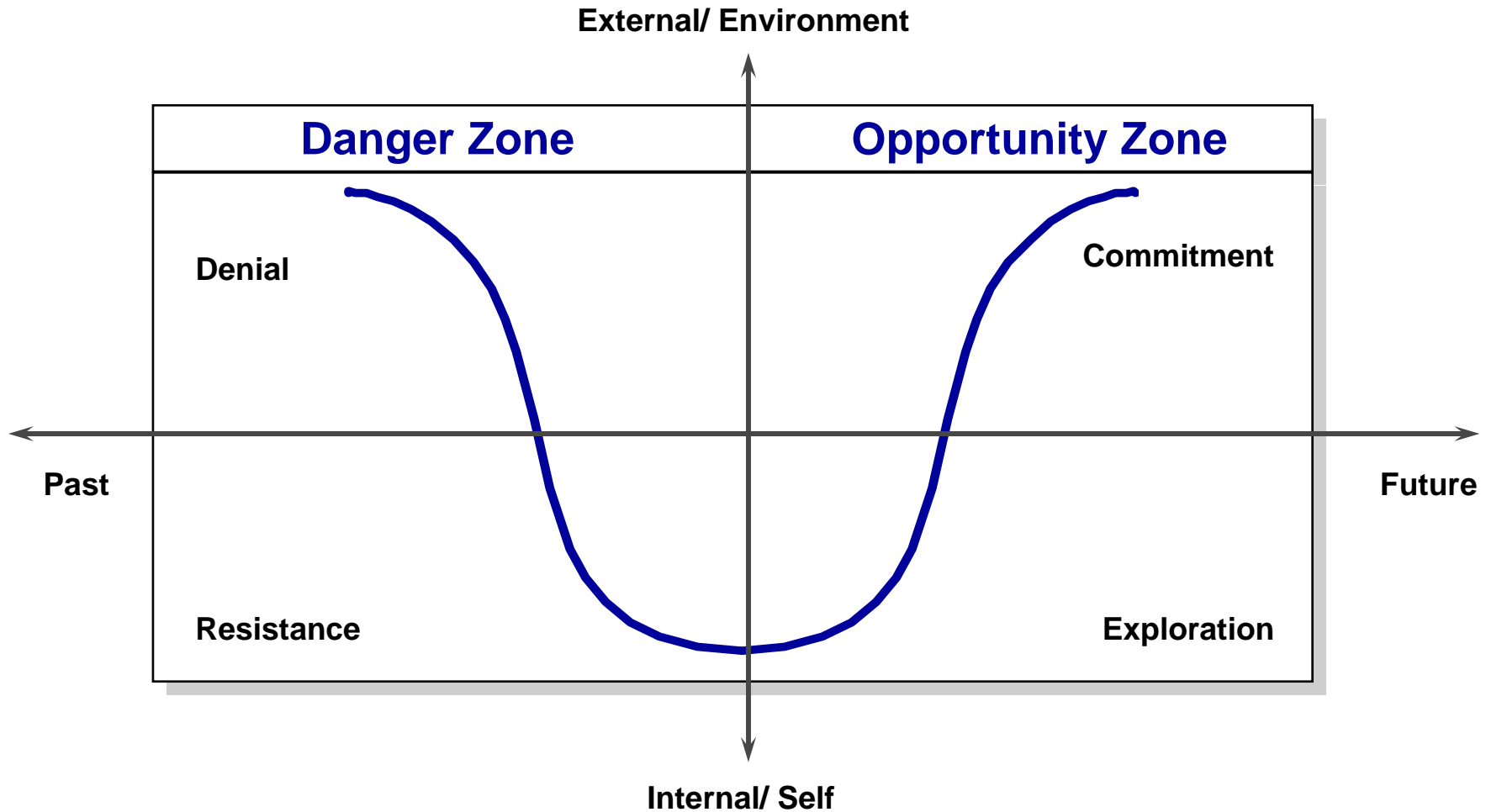
It isn't the changes themselves that people resist. It's the losses and endings that they experience and the transition that they are resisting

The Reality and Importance of Losses; Type of Loss

- Known and tried —
“I’ll get totally lost.”
- Security —
“I am going to lose my job or position.”
- Identity and Meaning —
“I will no longer know where I stand in the organization.”
- Competence —
“I cannot handle a change of this scope.”
- Relationships/Sense of Belonging —
“I will lose all contact with my team/customers.”
- Future/Sense of Direction —
“I will be unclear where we are going and why.”
- Turf/Territory —
“I am going to lose respect, prestige, and status I have worked for.”

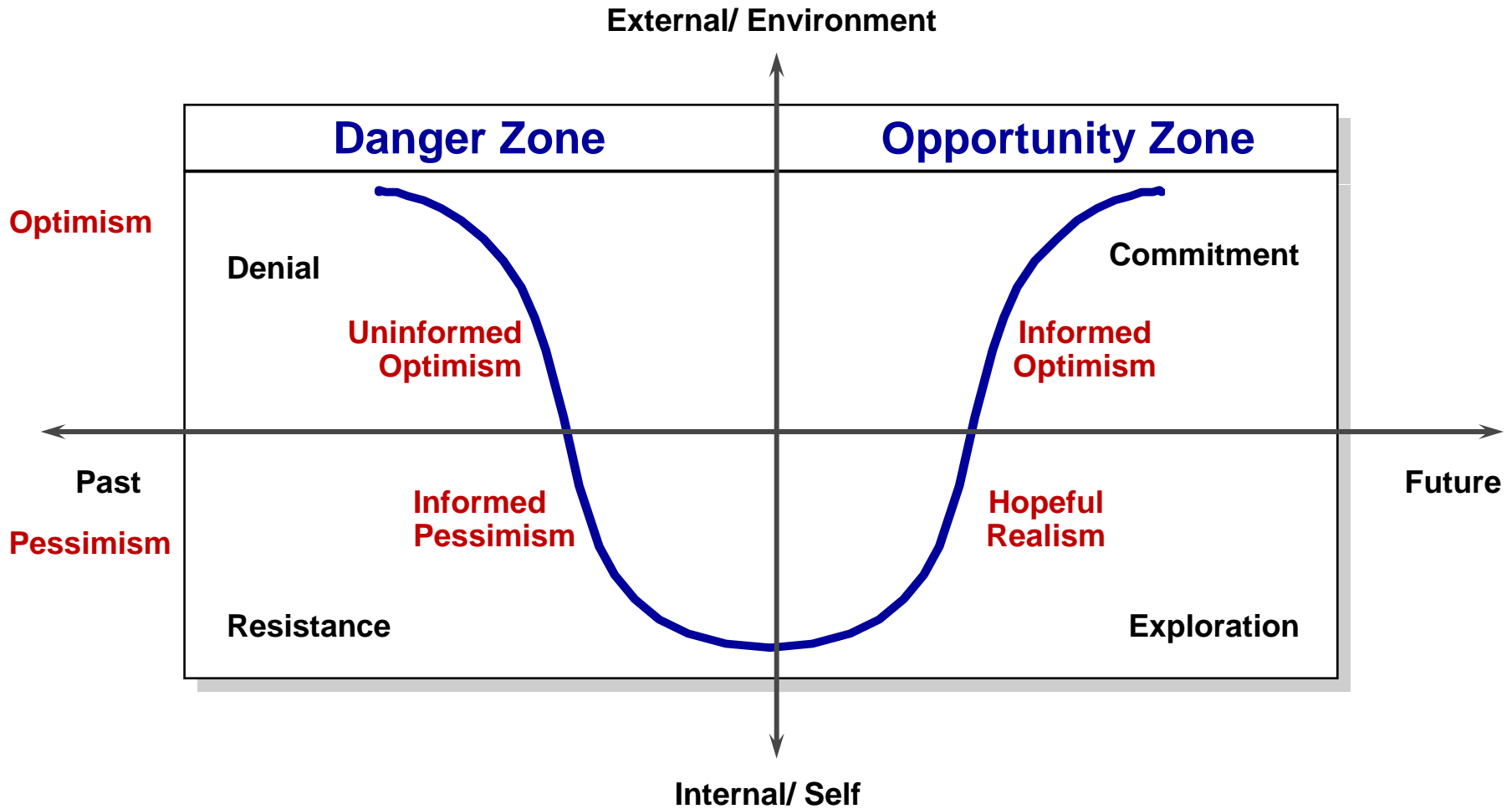
People “overreact” to a change when they are reacting more than we are

Understanding the Change Process



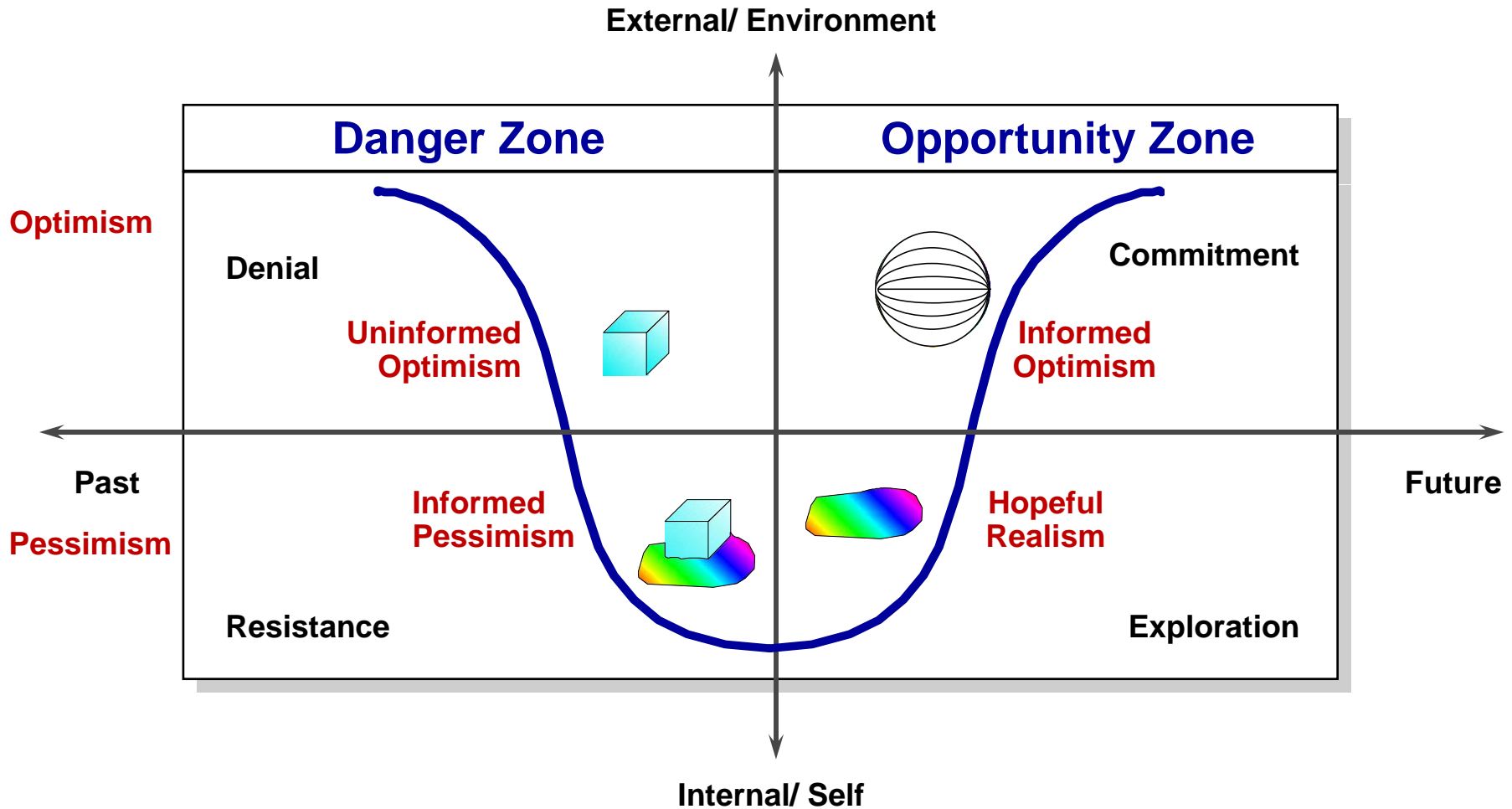
Change often involves elements of both danger and opportunity

Understanding the Change Process



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Understanding the Change Process



Change often involves elements of both danger and opportunity

Change Strategies Are Based On Where Someone Is In The Change Process

What Do You See?

Denial

- **It Will Be Over Real Soon**
- **Apathy**
- **Numbness**



Resistance

- **Withdrawal from the team**
- **Anger**
- **Careless Work/Mistakes**
- **Low Energy/Complaining**
- **Blame**



Commitment

- **Teamwork**
- **Satisfaction**
- **Clear Focus and Plan**



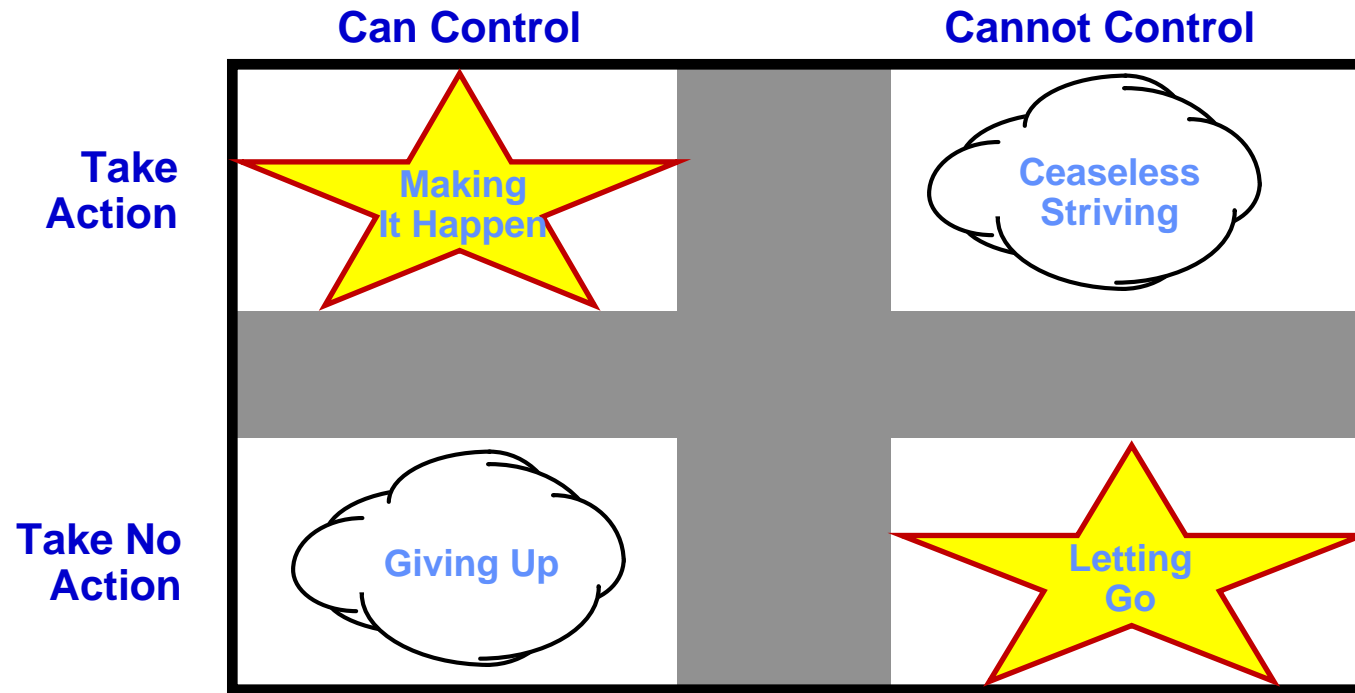
Exploration

- **Over-preparation**
- **Have Too Much To Do**
- **Lots of Energy and New Ideas but a Lack of Focus**
- **Chaos**

Different Stages Call For Different Strategies

- During **Denial**
 - Repeat information; over-communicate
 - Emphasize change will happen
 - Allow time to let things sink in
- During **Resistance**
 - Listen
 - Acknowledge feelings
 - Encourage/support
 - Caring confrontation
- During **Exploration**
 - Providing training
 - Emphasize priorities
 - Set short-term targets
- During **Commitment**
 - Recognize accomplishments
 - Establish long-term goals

The Personal Power Grid



“O God, give us serenity to accept what cannot be changed, courage to change what can be changed, and wisdom to distinguish the one from the other.”

— Reinhold Niebuhr

“You’ve got to know when to hold ‘em,
Know when to fold ‘em,
Know when to walk away,
And know when to run.”

— Don Schlitz (“The Gambler”)