

LEADING CHANGE

CHANGE READINESS

How do you get people ready for change?



LEADING CHANGE DRIVERS

A growing body of scientific research provides guidance on what change leaders can do to get people to embrace change.

This research reveals five important factors in determining people's readiness to undertake change. For people to really accept the need for change, to make changes in what they do and to persist with these changes, they need to believe that:

- There is a real need for change (**Need**),
- The proposed changes correctly address the need for change (**Fit**),
- They will be able to successfully implement the proposed changes (**Confidence**),
- The organisation's leadership is committed to and supports the changes (**Resolve**), and

- The outcomes of the changes will be of benefit to themselves (**Benefit**).

Whether you agree with him or not, Al Gore, perhaps more than anyone, has become a change leader on the issue of global warming. Through his film, *An Inconvenient Truth*, his writing and public presentations Gore has helped trigger one of the most dramatic opinion shifts in history. In a recent New York Times/ CBS News poll, an overwhelming majority of those surveyed—90% of Democrats, 80% of independents, 60% of Republicans—said they favor "immediate action" to confront the climate change crisis.

Why and how has Gore been so successful as a change leader on this issue? We believe we can explain some of his success through an understanding of the drivers of change.

Need

Through logic, scientific evidence, rhetoric and impactful imagery, Gore has painted a compelling picture of the crisis he believes we are facing if we don't change.

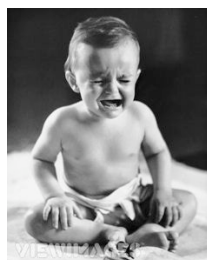
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Welcome

Many studies report that up to 70% of change initiatives fail. Perhaps the most difficult factor in organisational change is people. Yet, organisational change practices have evolved little over the past 30 years. There is however a growing body of new research that shows there are successful, fast and predictable ways to lead people through change. In this edition of "*Leading Change*" we examine the concept of change readiness. We begin with new research into the drivers of change readiness. We then examine the individuals reaction to change and finally, discuss a case study on team change. In a short newsletter it is difficult to do justice to the extensive research of the scientists on whose work we base our ideas and models. If you would like to know more, or if you would like to provide comment please contact us. Our contact details are on the last page of this newsletter, or you can visit us at www.iandi.com.au.

"THE ONLY PERSON WHO LIKES CHANGE IS A BABY WITH A WET NAPPY"

Think you can change? What are the odds? "What if a well-informed, trusted authority figure said you had to make difficult and enduring changes in the way you think and act? If you didn't, your time would end soon -- a lot sooner than it had to. Could you change when change really mattered? When it mattered most?" This paragraph opens an article in *FastCompany* magazine titled "Change or Die".



The article reports the findings of Dr. Edward Miller, the dean of the medical school and CEO of the hospital at Johns Hopkins University who states that even when faced with a life threatening disease brought on by lifestyle issues, 90% of people do not change their lifestyle. That's odds of one in nine. For more see http://www.fastcompany.com/magazine/94/open_change-or-die.html.

**Fit**

If you accept his argument that climate change is due to human action then his solutions make sense. We need to cut our reliance on fossil fuels, recycle more, use less non-renewable resources, plant trees and stop deforestation, etc.

Confidence

Despite the magnitude of the crisis Gore depicts, his solutions seem simple and doable at an individual level. This is part of the appeal of *An Inconvenient Truth*. The film argues that change is only possible at an individual level, we can't expect governments to change. Gore makes change personal and personally accountable.

Resolve

Leaders need to make a symbolic commitment to the new way. Gore has committed himself to the changes he asks you to make. He drives a hybrid car, offsets his air travel etc. Role modeling is a very powerful channel of communication and influencing others to follow you.

Benefit

At the heart of many people's objections to change is a rational expression of self interest. People are understandably suspicious of change, particularly when it is proposed by politicians, experts and business leaders. The challenge for leaders is to present an honest and realistic account of the pros and cons from their followers' point of view and have them come to the conclusion that on balance they will be better off. Gore is clearly aware of the investment his audience has in their SUVs and Plasma televisions. He doesn't ask us to give these luxuries up. Instead, he asks us to reduce our use now to reduce their impact on the climate and avoid the calamities he forecasts.

Resistance

As anyone who has followed this issue will know, Gore hasn't convinced everyone. Whilst some have enthusiastically embraced

change, others resist, clinging to the current system, arguing the costs of making the change or arguing against his premises and conclusions.

However, this resistance can work in favour of change. The more that people argue against change the more they draw attention to the issue. We know from research into persuasion that the more people think about an issue the more likely they are to change.

Change is always going to attract resistance. By working with the five drivers of change a change leader can track their followers' response to change efforts and, if needed, refocus their efforts on the areas of continuing doubt.

INDIVIDUAL RESPONSE TO CHANGE

Change leaders tell us that the financial, technical and structural mechanics of change are the easy bit. The hard bit is getting *people* to change. Fortunately, recent psychological research has provided a better understanding of how people react to change. With this understanding we are better able to predict individual and group readiness for change, and help move people more quickly through change

From a practical point of view this psychological research into how people change has big implications. It demonstrates that a one-size-fits-all approach won't work and provides guidance for leaders as to what to do when.

A person's response to change tends to follow predictable patterns. Extensive research has shown that people need to go through a series of steps for real and lasting change to occur.

Consider what happens to a person directly affected by organisational

change (a restructure, change of job, new boss, new technology, etc.)

Shock

The initial reaction to a significant change such as an organisational restructure is one of shock. On the surface people may not seem to react very much at all. Internally however, they freeze, physically and emotionally. You will often hear people say that they feel "numb" or "dazed".

Reaction

After this initial shock the person may have one of two reactions. They can experience a sense of relief that finally something is being done - "what took you so long?". Find and nurture these people, they are a change leader's best allies.

The other typical reaction is denial. "If I ignore this, it will go away" or, "this doesn't affect me". Denial can be difficult to manage. There are three simple actions a leader can take to address denial:

1. Emphasise that the decision to change is theirs,
2. Encourage an evaluation of the pros and cons of,
 - a. The status quo, and
 - b. Making the change.
3. Explore and personalise the risks of not changing.

Realisation

Reality eventually kicks in. The need to change becomes harder to ignore and the pressure to do something is greater. However, whilst the person may now see the need for change this is not the end of the change process, because they have yet to work out what to do and whether they can do it. The resulting feeling of frustration can be a powerful motivator to move on to the next stage.

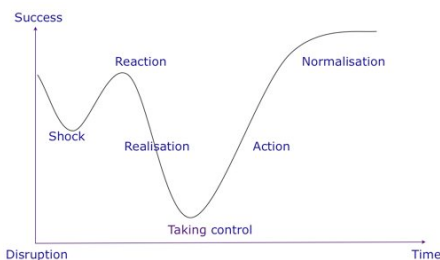
A change leader can help the person through this stage by reinforcing dissatisfaction with the status quo, by providing a compelling vision of the future and a clear path to get there.



Taking Control

Taking control is where the decision is made to make the change. The central challenge here is the confidence to “let go” of the old ways and to have the confidence to risk the unknown of the new. This turning point occurs when the felt need for change is combined with the confidence that success is possible. This provides the person with an empowering sense of gaining control over the future. Plans are made, new skills start to be learned, and a sense of hope and optimism emerges.

The leader’s role at this stage is to help their followers develop confidence in their capacity to succeed in making the change.



Practical and psychological support is required before and after the decision to change - providing resources, encouragement and advice, and training to close capability gaps.

Action

Now the new plans and skills are put into practice. The challenge at this stage is to cope with the setbacks that will occur and not lose confidence. A change leader helps by providing personal and organisational support and rewarding new behaviours, even if these new behaviours don’t initially lead to success. Learning means trying and trying often means failure. A change leader can support the person by bolstering their confidence and combating any feelings of loss by reiterating the long term benefits.

Normalisation

Here the new behaviours match the demands of the environment and become stable habits. The role of the leader now is to ensure that the followers’ work environment (systems, structures and job descriptions) supports and reinforces the new way of doing things.

The research into individual change processes illustrates the need for change leaders to adapt their tactics depending on their followers’ needs.

TEAM CHANGE

Why do some teams crash and burn and others fly?

The New Zealand operations of a global IT services firm restructured around cross-functional strategic account teams (CFTs). Financial and engineering advice was drawn from a pool of resources that included all staff not included in one of the CFTs.



The experiences and reactions of the managers and employees over a two year period of transition to teamwork provides some real life ideas on what does and doesn’t work when it comes to change and teamwork.

Changing the structure does not mean more productive teams.

Doug Stace and Dexter Dunphy, two prominent authors in change leadership, concluded from their research, that once strategies, structures and systems are changed, many companies are confused about how to manage the intellectual, emotional and behavioural

responses of their employees. In the case of the IT company, the changes in organisational structure and team experience helped remove the barriers to teamwork but were insufficient to promote highly productive teamwork. The management initiatives did not fully address the psychological changes associated with teamwork.

The results

The results of the change to team structure were mixed. Some teams flew and others crashed. Changes in the organisational structure, the new way in which business was conducted, and experience and training in teamwork did not achieve highly productive teamwork company wide.

However, some teams were more productive. Each successful case of teamwork in the IT company occurred when there was a common purpose that was believed to be worthwhile, which was highly regarded, had high expectations of achievement and team members had a strong desire and opportunity for membership.

A Common Purpose

The highly productive teams thought and felt as units. Each member interpreted events not from their personal perspective but with reference to the impact on the team. The CFT’s worked on multidisciplinary customer projects with a clear purpose of “delighting the customer”. This project work provided the meaningful and appealing team purpose. It seems that the biggest change is not in the mechanics of organisational restructuring but in the transition from thinking and feeling as a distinct individual, to thinking and feeling like a representative of a distinct social group.

A Worthwhile and Highly Regarded Task

Much of the management literature on teamwork suggests that task interdependency is key. It is true that activities need to be



interdependent and that potential team members should be chosen because of the skills they bring. But, this study and the results of similar work shows that task interdependence is not sufficient for a person to make the psychological transition to team member. What is required is that team members are informed about the team task, the value associated with that task and the positive implications of their collective efforts.

High Expectations of Achievement

Team members must feel that the chances of success are high. Rewards should be based on measurable team results that are perceived to be within their control and not on individual contributions. This helps promote the team status above that associated with the contributions an individual could make without the team.

The Desire and Opportunity to Contribute

Whilst being assigned to a team may be involuntary, psychologically being a member of a team is a voluntary action that consists of a feeling of attachment and belonging, of strongly wanting to be part of something. Team members have to decide for themselves that they want to be part of a team and they need to feel good about their team membership. The new organisational structure presented work as one process and one output where individuals had to work together. This meant there was

little or no opportunity for individuals to separate their task from the team output, which in some cases meant that team members would switch tasks, or operate outside of their traditional role to ensure that the goal was met. Individual team members could not cognitively separate their own performance from the performance of the team. This understanding of a common purpose and thinking in terms of associated work processes rather than single tasks was an important part of productive teamwork. For a person to make the psychological transition from individual contributor to team member requires a strong desire to be a part of the team and what it represents.

The teams that crashed?

What of the services pool that included the finance, engineering, HR and administrative staff? Previously middle management, these teams had been expected to manage themselves, but instead were found to be individually focused without a common purpose. Whilst they were expected to provide services to the CFT's they were not part of the team and didn't identify with the team. The services they provided were on an as-needs, individual task basis, rather than a common service. The services group compared themselves with the CFT's and thought the CFT's received preferential treatment. The services teams, as a result had not changed their attitudes to work, despite the new business model.

FURTHER READING

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