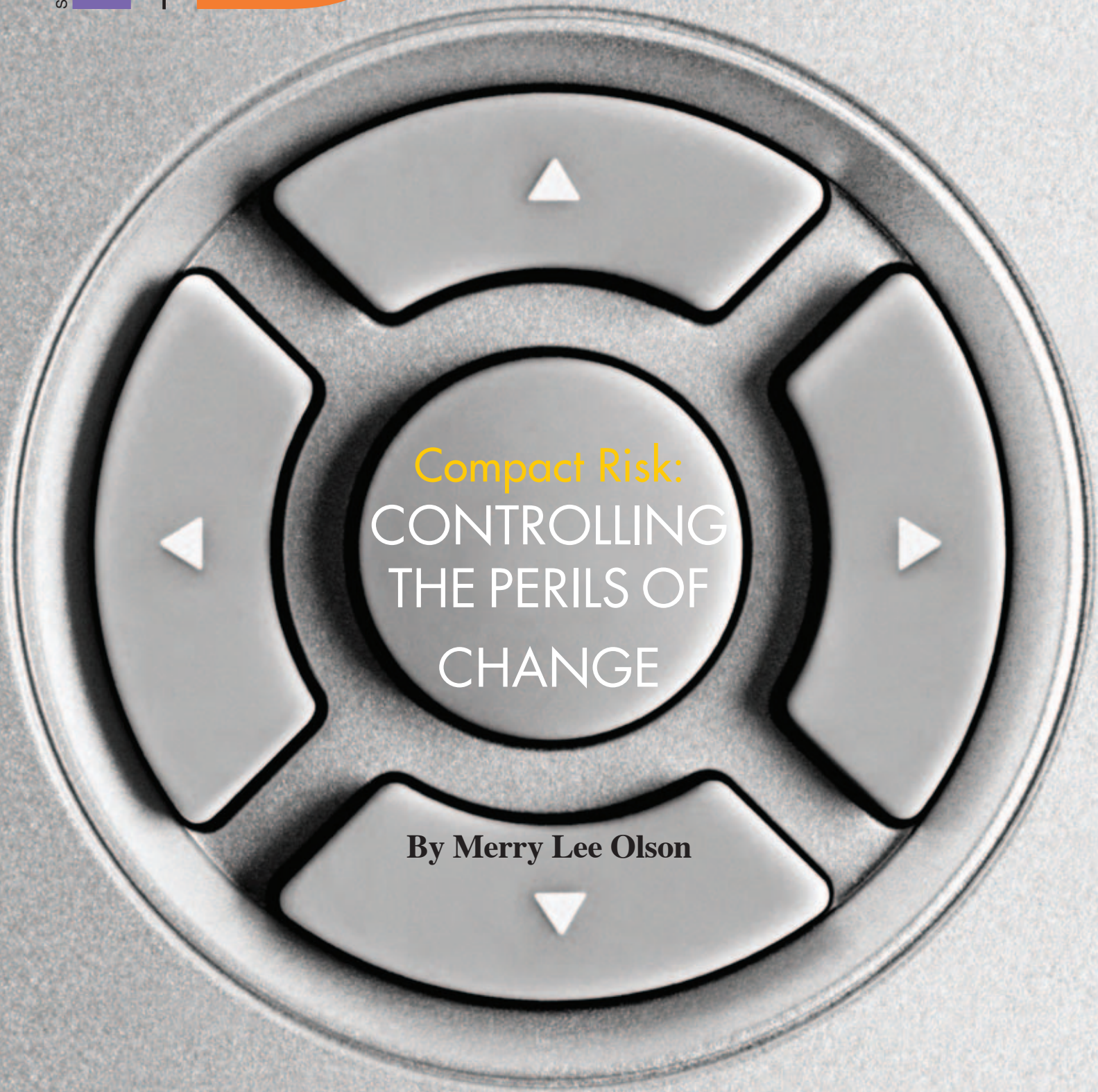


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Compact Risk:
CONTROLLING
THE PERILS OF
CHANGE

By Merry Lee Olson

WHILE SUCCESSFULLY MANAGING ORGANIZATIONAL CHANGE IS NOT EASY, THREE EXPERTS SUGGEST THAT THE ISSUES INFLUENCING PEOPLES' ACCEPTANCE OF CHANGE ARE NOT ONLY PREDICTABLE, BUT MANAGEABLE.

In the best of times, new products, new technologies, and new initiatives bring exciting opportunities. In challenging economies and uncertain political landscapes, organizations are often faced with cutting back on services or product offerings, reorganizing their workforce, or adapting their business models.

In either situation, change disrupts the status quo and causes stress to people who may already be slammed with unpredictable conditions outside of the business environment. Effectively navigating through change is essential to surviving it, but successfully managing organizational change is not easy. Roughly 70 percent of change efforts fail or are derailed, and the consequences are significant in both the short- and long-term.

The cost of failure to an organization can be seen in lower productivity and morale, missed objectives, wasted time and money, and higher employee turnover. The more far-reaching effects of a failed change effort are the unflattering opinions from an organization's customers and investors. Once-successful companies have collapsed because an attempt to change did not succeed.

A question of adaptation

John Kotter, a Harvard Business School professor of leadership and the author of several books on change, cautions organizations that today's economic, sociological, and political environments require that they learn to adapt rapidly or cease to be competitive.

"The rate of change is exponential," says Kotter. "Not only do we have political uncertainties, but technology keeps spiraling, and globalization creates interesting ties between countries. That means that something that affects one is felt by others a long ways away."

Three Expert Approaches to Managing Change

There are many documented reasons why change fails, and nearly as many prescribed cures. This review covers the offerings of John Kotter, a professor of leadership at Harvard Business School and the author of several books on the topic, including the newly released *A Sense of Urgency*. William Bridges' "managing transition" approach to change is based on his best-selling book. The new "leading people through change" program was just released by Pat Zigarmi and Judd Hoekstra—change and leadership experts with The Ken Blanchard Companies.

Some of the strategies offered by the change consultants are similar. However, the recommended approaches and processes of the three offerings display some interesting variations. The Blanchard authors, with the benefit of the information imparted by the longer-standing works of Kotter and Bridges, as well as their own three-decade development of situational and team leadership offerings, have produced a program that reaches deeper than most and offers easy-to-implement guidance for evaluating and implementing change, with a focus on the people it affects.

John Kotter...

- Approaches change prescriptively with three areas of focus:
 - engaging
 - informing
 - developing an action plan.
- Allows change leadership to be developed at any level, as long as the team driving the change is applicable to the reason for change and isn't a buried task force
- Offers a branded eight-step process for successful change:
 - Create a sense of urgency.
 - Pull together the guiding team.
 - Develop the change vision and strategy.
 - Communicate for understanding and buy-in.
 - Empower others to act.
 - Produce short-term wins.
 - Don't let up.
 - Create a new culture.
- Offers training based on Kotter's books through a licensed arrangement with the International Speakers Bureau

William Bridges...

- Addresses how employees react when going through change
- Acknowledges that people move through transition at different paces
- Assesses where individuals are before determining appropriate leadership response
- Offers five core actions of transition management:
 - Make a plan.
 - Assess the situation.
 - Manage the ending.
 - Manage the "neutral zone."
 - Create a new beginning.
- Offers training through Linkage Inc. in the areas of
 - leading organizational transition
 - managing organizational transition
 - individual transition in organizations.

Pat Zigarmi and Judd Hoekstra...

- Provide a new model for change that is both diagnostic and prescriptive
- Involve not only the leadership team, but also subteams, task forces, specialty teams, and all people involved in the change
- Provide a branded "leading people through change program" through The Ken Blanchard Companies, with the following eight objectives:
 - Learn why change fails or gets derailed.
 - Develop the characteristics of change-adaptive organizations.
 - Learn to diagnose predictable concerns and reduce resistance to change and gain buy-in.
 - Increase involvement and influence in leading change.
 - Learn to address concerns and lead change.
 - Assess the organization's change readiness.
 - Develop an action plan for leading a change effort.
 - Build organizational change leadership capability.
- Include implementation and support tools
- Embed the change into the organization, then refine via continuous improvement

LEADING PEOPLE THROUGH CHANGE

If a leader is able to diagnose stages of concern, then the leader can respond by communicating the right information at the right time, and therefore reduce resistance. When resistance goes down, buy-in goes up.

He compares the turbulence this creates to that of a tornado. "When a tornado is coming at you, you need to figure out how to quickly get out of its path, or better yet, get yourself positioned somewhere where tornadoes don't strike," advises Kotter.

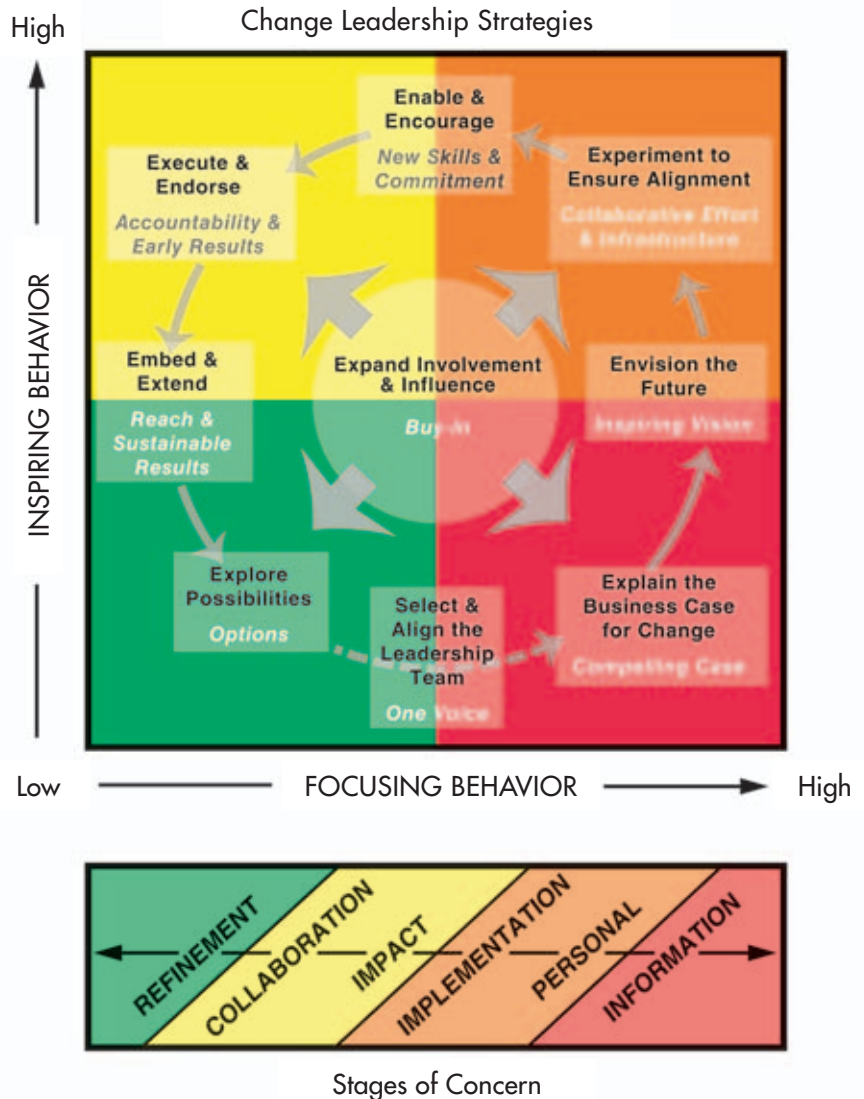
He asserts that the need to foresee problems and move quickly is becoming increasingly more essential to organizational survival. In his book *A Sense of Urgency*, Kotter stresses that in these tumultuous times, all organizations face an overwhelming need to operate with a greater sense of urgency.

"The problem," says Kotter, "is that they don't understand it, don't know how to create it, and don't recognize when it's missing."

While organizations may still need to get up to Kotter-speed on identifying and reacting to a state of urgency, many apparently recognize that change is one of their most compelling challenges. In a 2008 corporate issues survey, concern about managing change was cited as a burning issue by human resources and training managers, and leaders.

What many organizations apparently don't get is the necessity of involving people who will be affected by change, helping them understand the importance of the proposed change, and giving them time to make the essential transitions to successfully implement change.

Accordingly to William Bridges, executives and managers typically attempt to make changes with little understanding of the transitions people need to go through if the changes are to work.



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Bridges' work is founded on the premise that there is a difference between change and transition. Change comprises external situations such as mergers or the introduction of a new management structure, while transition is the internal, psychological reorientation that allows people to adapt to and successfully implement the change.

Most change efforts require significant transitions on the part of a large number of people who need to not only address their individual responsibilities but also work together

in teams.

Good leaders seek the buy-in and commitment of the employees who are being asked to change, but the reality is that many people are frustrated in their attempts to understand, cope with, and participate in change and therefore have a difficult time making the transitions that will enable them to be effective in implementing change.

According to Pat Zigarmi and Judd Hoekstra, the organizational change experts who authored The Ken Blanchard Companies' "leading people through change" approach, the leaders

One of the primary reasons many change efforts fail is because leaders do not step back and look at the change process and the transitions that are required from the perspective of the individuals involved.

of any change effort need to address the concerns that people have when they are asked to change to assist them in making transitions.

Unless leaders take time to surface and resolve individual concerns, they will be unable to generate and maintain the momentum necessary for the change to be successful. One of the primary reasons many change efforts fail is because leaders do not step back and look at the change process and the transitions that are required from the perspective of the individuals involved.

Zigarmi and Hoekstra agree with Bridges' supposition that for change to be successful, the individuals involved need to be supported in making the transitions that allow them to engage in and respond to change.

The Blanchard authors say their research and real-life experiences confirm that peoples' involvement in and acceptance of change are among the key factors that determine whether a change initiative succeeds or fails.

Predictable and manageable

Zigarmi and Hoekstra's theory is that peoples' concerns relative to change are not only predictable, but also sequential and addressable. Their model, offered as The Ken Blanchard Companies' "leading people through change" program is both diagnostic and prescriptive.

It teaches that there are six stages of concern that people typically move through when asked to change. The authors say that by understanding these

predictable concerns and how to address them, leaders can be proactive about change and minimize the risks behind unaddressed concerns undermining a change effort.

The "leading people through change" model is built on the observation that at any given time, different people are at different stages of concern relative to change. Predictably, they have information, personal, and implementation concerns at the front end of a change process.

If a leader is able to diagnose stages of concern, then the leader can respond by communicating the right information at the right time, and therefore reduce resistance. When resistance goes down, buy-in goes up.

Zigarmi says that leaders frequently neglect to communicate the need and urgency for change. "Often, the people leading change think that announcing it is the same as implementing it," she explains. "And when faced with an announcement that change is coming, most people immediately ask, 'How does this affect me?'"

Gossip flies, and people make assumptions, but there is little two-way communication. There are often no vehicles to voice information concerns, so people don't understand why they have to change," adds Zigarmi.

"People don't want to be sold on change, they want to understand it and participate in making it happen," Zigarmi advises. "They want to know what the leaders see in regard to needed change within the organization and the priority compared with other things going on. They want to be asked 'what works; what doesn't'. If they are asked, they will provide valuable guidelines and become a part of the process," she explains.

"It's all about building a picture of the future," Zigarmi reveals. "Before you try to implement change, ask what people want—how they want to be a part of the organization as it goes forward and what inspires them or makes them proud. They will tell you exactly what you need to know to make the change process work."

Zigarmi suggests that to flush out concerns change leaders should ask information-gathering questions, such as the following:

- In general, what are your concerns with this change?
- What is worrying you or keeping you awake at night?
- What are you excited, nervous, or

unsettled about?

- What challenges are you experiencing?
- What additional information do you need?

Zigarmi throws in an additional tip, suggesting that while all six of the areas of concern are significant, leaders who pay close attention to the first three will find that the remaining concerns seem to resolve themselves.

Creating buy-in for change

More often than not, change leaders fail to involve people in the process of planning for change even though the employees are most often the ones closest to the front line, the ones who are most involved in and cognizant of the work process, and the very people who truly understand the effect change may have on the organization's customers.

Zigarmi believes that leaders need to give people credit for being smart, and involve them at every stage. "If they understand the differential between the present situation and where the company ultimately needs to be, they typically will be onboard with the reason for the change, as well as the process and the outcomes."

Zigarmi and Hoekstra purport that people don't actually resist change, they simply resist being controlled. By addressing peoples' concerns and involving them in the change process, leaders are able to create an action plan for successfully leading a change effort and build momentum for moving ahead.

As Zigarmi says, "When people have a chance to see what leaders see, know what they know, and understand what they understand, and when they have a chance to listen to and learn from their peers who support the change and become a part of it, they are more likely to become advocates."

While top-down directives may appear to jumpstart a transformation, best practices demonstrate that leaders who take the time to build a compelling business case, expand the involvement and influence of their people throughout the process, and take the time to meet individuals' concerns get better results.

Change managers who create an involved, collaborative approach dramatically minimize the risks inherent to a change process, while increasing the probability for success for the organization and for all involved.

A new model for change leadership strategies

Pat Zigarmi and Judd Hoekstra collaborated with Ken Blanchard to evolve a change-focused model from his classic Situational Leadership II (SLII) program. The “leading people through change” model is structured similarly to that of SLII in that it allows a leader to determine each individual’s competencies and concerns relative to change, and to communicate accordingly.

The need to consider the effect of change on people is not unique to Zigarmi and Hoekstra. Bridges has consistently and eloquently focused on the reactions of people in transition, and Kotter has written extensively about an eight-step model for leading people through change that is not unlike the model developed by Blanchard, Zigarmi, and Hoekstra.

The Blanchard Companies’ work connects all of the separate focuses into one model—one that is both diagnostic (like Bridges’ work) and prescriptive (like Kotter’s approach). It teaches leaders to recognize the stages of concern and guides them to select appropriate change strategies.

All three models for leading change contribute to the understanding of how challenging it is to reduce resistance and build momentum for change, especially in times of turbulence. **T+D**

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PREDICTABLE STAGES OF CONCERN AND STRATEGIES FOR ADDRESSING THEM

THE SIX STAGES OF CONCERN	LEADERSHIP STRATEGIES TO ADDRESS CONCERN
1. Information concerns <ul style="list-style-type: none"> • What is the change? • Why is it needed? 	Explain the business case for change envision the future
2. Personal concerns <ul style="list-style-type: none"> • How will the change affect me personally? • Will I win or lose? 	Envision the future
3. Implementation concerns <ul style="list-style-type: none"> • What do I do first? • How do I manage all of the details? 	Experiment to ensure alignment Enable and encourage
4. Impact concerns <ul style="list-style-type: none"> • Is the effort worth it? • Is the change making a difference? 	Enable and encourage Execute and endorse
5. Collaboration concerns <ul style="list-style-type: none"> • Who else should be involved? • How do we spread the word? 	Embed and extend
6. Refinement concerns <ul style="list-style-type: none"> • How can we make the change even better? 	Explore possibilities