
BUILDING INDIVIDUAL AND ORGANIZATIONAL CHANGE-ABILITY

Now that most businesses understand that change is the only constant in this world, they are struggling with how to deal with the many changes they must make to remain competitive. Indeed, an organization's competitive options are directly linked to its employees' ability to accept and handle constant change.

Changes by Degree

Change means giving up an identity for a new way of being or substituting one thing for another. How organizations manage change – and the success they have in dealing with it – depends on whether change is viewed as an event or a process. If change is viewed as an event, the tendency is to complete it [OR to get it over with] and move on to the next initiative. If, on the other hand, change is considered a process, we are more apt to nurture and support it on an ongoing basis, and the change will have a greater likelihood of succeeding. For this reason, it is often clearer to refer to the event as the change and the process of changing as the transition.



There are three degrees of change; incremental, transitional, and transformational. Incremental involves the least amount of change. Examples of incremental change are a company that wants to increase profits from 7 percent to 7.3 percent or a copier company seeking to extend its product line to include color copiers. These changes may require better processes, new marketing plans, and administrative adjustments, but generally they can be achieved with little disruption to the systems in place.



The second degree of change, transitional, occurs when an organization moves from one state to another clearly defined state. A company changing its finance and human resources departments from centralized to decentralized organizations would be undergoing transitional change. It is more complex and far-reaching than incremental change, but the goal of the new state is clear.

Transformational change involves the greatest change: an organization recognizes that change is needed, but it is not clear what the final state will be. This type of change presents the greatest challenge precisely because the future is unclear. The former

“Big Eight” accounting firms have undergone a long period of transformational change as they have merged and significantly broadened their scope and identity from traditional accounting and auditing to professional services; such as management consulting, business process re-design, and change management.

The Willingness to Change

When organizations want to make any degree of change, they can only do so if the people within the organization are willing to change. Research has shown that a person’s ability to accept a change depends on whether it is seen as positive or negative, and the more the person feels he or she has some choice in the matter, the more the change will be considered positive. Yet, even when people make a change they desire, such as marry, have a child, or change jobs, they often experience disappointment when they actually begin the transition. This is because we tend to anticipate change with uninformed optimism, thinking of all the good things that the change will bring about. Then, once into the transition, we develop informed pessimism, and we must acknowledge that there are aspects of the change we hadn’t anticipated and don’t enjoy.



Most parents looking forward to the birth of their first child don’t realize how many months of sleepless nights they may face. As we become more comfortable with the transition and experience both its positive and negative aspects, our expectations become more realistic, until the final phase when the change has occurred and we sense optimism and, perhaps, relief.



Contrast this journey through a positive change with what happens when change is imposed on us. The negative response corresponds to the stages of dying defined by Dr. Elisabeth Kubler-Ross in her book, *On Death and Dying*. The first stage is immobilization. Stunned by the initial news of the change, we do nothing. Next comes denial – we refuse to acknowledge the change – followed by anger, evidenced by criticism of both the change and those who enacted it. When denial and anger do not work to stymie the change, we try bargaining. We may ask for more time to accept the change or for someone else to make the change. When bargaining doesn’t work, we may become depressed, distant and lethargic. Finally, we make small steps to try out the change, testing how it will affect us; ultimately, after a long time, acceptance occurs. But this acceptance does not result in the optimistic view of reality that occurs when we perceive change as positive. Rather, it is a grudging acceptance that the change is here to stay, so we’d better go

along with it. Clearly, having employees perceive a change as done to them and their going through these negative phases impedes a change effort and lessens productivity for some time. The work required to get employee buy-in and support for the change at the front end will have a larger pay-off when the change is implemented.



Joseph Campbell, who studied stories of heroes from many cultures, discovered a common cycle in all the myths that corresponds to the positive response to change. The cycle begins with a period of elation when the hero sets off on the journey, buoyed by the good wishes of his friends and family. After leaving familiar territory, he encounters difficulties he had not foreseen – represented as a monster. His fear and sense of helplessness cause him to surrender to uncertainty. But as the dangers in his quest become clearer, he struggles with the monster, fighting to overcome it.

In their own journeys through change, some people become mired in uncertainty and struggle, and they give up, resigning themselves to life in the pit. When employees come to work as if they were on auto-pilot, with no passion or excitement, they have surrendered to the monster. It is as if they died at their desk.

Those who continue with the struggle emerge from the journey victorious, with

new skills, abilities, and confidence – they have undergone a metamorphosis. Indeed, people who go through significant change and learn from the experience report afterwards that they feel stronger, more confident, and more aware of their substantial abilities. Their motivation increases and their ability to change is integrated into their behavior. People who don't make it through the metamorphosis appear damaged by the change; they are less confident, fearful, and have less strength, motivation, and resolve to face another change.

Campbell's discovery of the fundamental cycle in myths and legends helps us realize that we are not alone in our journeys and that in fact we have already gone through much change. We tend to forget how much change we have been through and how even the most traumatic change has left us stronger and wiser. Organizations about to undergo change should tap into these personal legends, or "best practices," in handling change and ask people what resources they found most helpful as they went through change. While many people mention commons sources – friends, exercise, family support – other ideas may surface that they may not have considered as a resource at all.



Building Resilience by Exercising Change-Ability

One key indicator of a person's ability to handle change is how resilient he or she is. Resilience is the ability to recover from or adjust easily to misfortune or change; the ability to bounce back from difficult situations, being able to learn, grow, and define one's purpose after facing a difficult situation and committing to overcome it. Resilient people can withstand shocks without becoming permanently harmed or damaged.

Each of us is born with a fixed amount of resilience, some have more than others. People who have more resilience tend to have gone through difficult childhood experiences; they learned to accept change quickly and move on in a positive way. Those who have faced few difficulties or changes in their lives have less of an ability to accept change. Resilience is like a muscle; if we exercise it, it becomes stronger. If we don't use it, atrophy sets in and we lose it. Although each of us has a given amount of resilience, we can make the most of what we do have by flexing it through the full processing of change.



Resilience is characterized by a positive outlook, proactive orientation, creativity, sense of purpose, flexibility, and self-confidence. Each contributes to resilience and reinforces the other. With a positive outlook, one can have hope in even the worst situation. A proactive orientation allows one to foresee change and the opportunities it holds instead of being surprised and unprepared by it. Being creative means one can find many different opportunities in a situation. With the solid grounding of a clear purpose, isolated incidents won't overwhelm or deter one from achieving a goal. Flexibility allows one to bend, but not break, when change occurs. And with self-confidence, the key attribute, one has faith that whatever happens, things will be allright.

Compared to people with little resilience who often experience "future shock," those with a high degree of resilience can regain their equilibrium faster, maintain high levels of productivity, are physically and emotionally healthier, and achieve more of their objectives. They tend to rebound quickly from the demands of change and come back stronger than ever before.

In a sense, change, when taken as directed, is like a magic pill to enhance resilience. Each time we fully experience and learn from a change, we flex our resilience and make it stronger.

Communication is Key

Organizational change is more complex than individual change because of the number of people involved (both employees and customers), their varying responses to change, and the potential impacts on the organization. Organizational development and change theorist Richard Beckhard developed the following formula to depict the relationship between factors supporting and preventing change in an organization.

$$V \times FS \times D > R$$

According to Beckhard's formula, for change to happen in an organization, the **V**ision, multiplied by a clear sense of the **F**irst Steps required to make the change, multiplied by **D**issatisfaction about the status quo, must be greater than the **R**esistance to change.



Most organizations focus on two of the equation's elements, but rarely the third. And, if any of the elements in the equation is zero, we know from elementary math that

the product of multiplying it by any of the other factors will result in zero, thus the organization will be unable to overcome the inevitable resistance to change. Consider a recent organizational change and which elements of the change formula were clear and strong. Was the vision a compelling one that members of the organization could see themselves in? Was it clear what first steps needed to be taken to make the change? Was there profound dissatisfaction with the status quo?



One plant of a large chemical company had been losing profitability over a period of seven years. But because the rest of the organization was healthy, the plant had been supported. When a new vice president took over management of the division that included the plant, he set new profit goals. If the plant did not meet the profit expectations, he would close it. A reengineering team was called in to meet with management and begin an aggressive change process to restore the plant's profitability. Every month the plant manager held an "all hands" meeting to let the workforce know where the plant stood and reinforce the need to meet profit expectations. He did not soft-pedal the news. He stated where the plant's profit percentage was and where it needed to be to stay in business.

Despite the clearly articulated vision and the obvious first steps being taken, the workforce ignored the plant manager's message, because they were not sufficiently dissatisfied with the status quo. The company had been in business for more than a hundred years, it had always been in the Fortune 100, and it had always paid profit sharing checks. Many of the employees' parents and grandparents had worked and retired from the same plant, so it was inconceivable to them that the plant would be shut down.

The year-long change process was consistently met with resistance, and employees made only half-hearted attempts to improve. Toward the end of the year, the plant manager announced that the profit expectations had not been met and the plant would be closing. Employees were told what severance packages would be available, what they needed to do to get their benefits, and the plant's last day, a Friday. Despite all this communication, the Monday following the plant closing, nearly a third of the employees were standing outside the building waiting to go to work. That was the day the change work could have begun and been assured of success.



To make substantive change, many organizations have had to create what the oil industry calls a “burning platform.” A

burning platform is an off-shore drilling rig that catches fire, a life threatening situation for any men working on the platform. When one survivor of a burning platform was asked why he jumped 150 feet off the rig into water so cold that if he weren't rescued in twenty minutes he would die, he replied that it was certain he would die if he stayed on the rig; in the water he at least had a chance.



In business, it may be necessary to create a burning platform to achieve a sufficient level of dissatisfaction with the status quo. Many people will refuse to make significant changes until the price of not making the change becomes higher than the cost of staying the same. Organizations communicating the rationale for the change to its employees should devote adequate time to explaining what might occur if the organization doesn't change.

Employees need to understand how the organization will benefit by changing, but in the end, it is the employees who will be changing. Therefore it is also important that they understand how the change will benefit them individually, as well as the consequences for each of them if there is no change. It is rare to find people willing to do something that they perceive is not in their best interest.

For change to result in the desired outcome, communication is key. Organizations undergoing change must communicate early and often, in as many different ways as possible – large groups, small groups, one-on-one, in memos, in presentations – because in these circumstances there is no such thing as over-communication. One reengineering manager said that when she had communicated the rationale for a change so many times that she almost gagged when the words came out, that was the point when the organization finally began to hear her and understand.

When they are in denial or other negative phases of change, people generally are not open to hearing the rationale. Nevertheless it is extremely important to continue communicating throughout the process, so that when they get through denial and begin to listen, the message will be there to be heard and accepted. Additionally, research indicates that employees believe communication from their direct supervisor is the most valid and welcomed. This is not to say that top management doesn't have to express their vision and commitment; but when it comes down to the particulars of a change, it is essential that supervisors and managers be able to articulate the rationale and communicate support for the change. If they cannot, the change effort will die.



Overcoming Resistance

Just as important as constant communication, overcoming resistance is vital to the success of any change effort. A deeper look at resistance, how we view it, and how to reduce it is essential to any successful change.



Resistance is typically defined as having an opposite or conflicting point of view. But by reframing resistance from opposition to an opportunity to understand another point of view, it becomes easier to appreciate another perspective and break down resistance. Consider how many mistakes people make when they simply go along with a solution even though they have doubts about it. The healthy airing of differing opinions can lead to informed decision-making, greater buy-in, and better solutions. Don't ignore resistance. It is self-reinforcing; not addressing it allows it to flourish and gain more power.

Resistance can be viewed as different perceptions – that a particular form of communication is not appropriate for a particular person – or that the issue is deep, and logic and information cannot overcome the resistance. In *Overcoming the Wall of Resistance*, author Rick Maurer defines three levels of resistance. Level One is resistance to the change itself. It may come from not understanding the goal, disagreeing

with the goal, or opposing the particular approach to reaching the goal. People may be resistant because they do not want the change, they fear the impact that the change may have on them personally, or they simply think the idea is bad or the timing is off.

Level Two Resistance involves issues than run deeper than the change itself. It cannot be reduced or overcome with logic because its origin is with the emotions. Issues that play in the mix of emotions include distrust, a bureaucratic culture, and fear of punishment for not supporting the change. People also worry about loss of respect, loss of position, and ultimately, loss of their job. Sometimes people have been through so much change, that they just cannot handle any more.

Level Three Resistance is long-standing, deeply entrenched resistance. An example of Level Three Resistance is the Arab-Israeli conflict. Level Three Resistance is rarely encountered in business, except for the occasional management-union discord that has gone on for decades with pain and loss on both sides or the family business where family members have squabbled and fought for years without resolution.



To reduce Level One Resistance, organizations must get people involved early, elicit their buy-in, and hear their perspectives. The more people are allowed

to shape the change and see possibilities for themselves, the less likely they are to resist it. The techniques to reduce Level One Resistance also apply to reducing Level Two Resistance, but the process may take longer due to the emotional nature of the issues. It is important to assure resistant people that they are valued and to be sensitive to how they may perceive changes to their jobs. When an employee has achieved success and is rewarded with greater responsibility, the employee may perceive the added workload as an attempt to overload him or her and force a resignation. This example makes clear the importance of communicating both the change itself and the reason for the change; in this case, the change was a result of commendable performance, not a hidden plan to oust an employee.

Level Three Resistance can be reduced through dialogue in small groups of equal numbers from each side with the goal of building trust. Even so, it requires a long-term effort, as the efforts to obtain Middle East peace attest.

Sometimes we fail to deal with resistance because we don't recognize it. In organizations where expressing different points of view is perceived negatively, employees become skilled at covert behavior. For a change effort to succeed, organizations must become equally skilled at recognizing resistance and addressing it in a way that allows employees to feel safe when voicing their concerns.

Covert resistance comes in many forms: employees may constantly question or criticize the process, seek absolute proofs to assumptions or projections. They may experience confusion, denial, become depressed or ill or have feelings of being overwhelmed. All may lead to increased

absenteeism. Underlying the resistance is the sense of loss that accompanies any change.

These tips are helpful in dealing with resistance:

- **Tip 1:** Notice that you are getting resistance – trust what you see and how you feel more than what you hear.
- **Tip 2:** Acknowledge the resistance, using non-aggressive statements such as “What I think I hear you saying is ...”
- **Tip 3:** Be quiet and let the person respond. Encourage the person to talk by expressing concern. Pay attention to other forms of resistance that may surface, including body language and deflection of topics.
- **Tip 4:** Remain neutral in discussing the issues. Don’t take the other person’s response personally, and do not defend your actions or counterattack. The person must be able to air his or her concerns without feeling the need to be defensive.
- **Tip 5:** Remember the “two good faith responses” rule. When a person questions the methodology or project process, they generally are expressing discomfort. The third time the same question is asked, respond to the question with a statement that suggests the person might be reluctant to commit to the problem or process. Then explore how that reluctance can be overcome.

In addition to these tips, several handy “resistance reducer phrases” are described by Lisa Marshall and Lucy Freedman in *Smart Work: The Syntax Guide for Mutual Understanding in the Workplace*.

- **To verify a person’s response:** “What I understand you to mean is, is that right?”
- **To achieve alignment:** “Let me look at it from your point of view.”
- **To probe for more information:** “Tell me more about what concerns you.”
- **To lead to a response through phrasing:** “How can we work it out so that ... (both your needs and my needs are met)?”
- **To negotiate a win-win outcome:** “What will it take to ... (answer both people’s needs)?”

These phrases are useful in conversations with a person who is resisting because they are crafted to keep dialog flowing so that more information can be gained and a collaborative solution reached. In these types of conversations, it is important to be true to one’s motives. Sometimes when we speak with people who are resisting, it triggers a negative response in us that pushes them further away. If you aren’t really interested in hearing the other person’s concerns, it will be apparent in your behavior and it could sabotage the effectiveness of these phrases.

Practical Advice for Successful Change

The successful implementation of sustainable change typically involves the following elements: (1) Effectively introducing the change and increasing participation in the effort, (2) using positive reinforcement, (3) marking out the change and the milestones toward it, (4) identifying the benefits of the change, and (5) constantly communicating.

When introducing change and to increase participation, organizations should share the change by giving employees the what and

why and letting them choose the how. By doing so, employees will have a greater sense of ownership and buy-in. When asking for new processes and behaviors use minimum critical specifications. The less you specify, the more freedom the employees have to find their own solution, and the more ownership they will feel for the process. This again allows the employees to be more personally involved in the change. Increase involvement and participation. Involve informal leaders. If employees see people they respect supporting the change, they will be more willing to accept it as well.

Positive reinforcements and celebration are important elements that support the change effort. Organizations should recognize and reward efforts during the entire process, not just at the end when employees have mastered the change. Celebrate milestones. Celebrate learning. Encourage each other in growing and learning. The more the focus is on what is working, the more employees will be motivated to continue their efforts. Criticism and negativity can stifle creativity and motivation. Allow for withdrawal and return of people who are temporarily resistant. Recognize that people change at different speeds.

Mark out the change by clearly identifying the new start, and provide a vision of what it will be like when the change is in place. By no means should an organization embark on a new course by criticizing the past. In fact, by honoring the past and recognizing why past decisions made sense at the time, people will feel more comfortable in letting go of the past without feeling as if they have failed. In the transition, learn to be comfortable with ambiguity. Too many mistakes are made when people rush to decision-making without adequate information. One way to minimize insecurity and show positive

movement is to set small goals that mark the process to a decision.

Identify the benefits of changing – for the organization as well as for the employees. Don't be afraid to admit the difficulties. Employees see the problems and attempting to minimize them will only cause them to question the organization's credibility.



Communicate, communicate, and continue to communicate. Avoid surprises. The request made most often by employees going through change is for up-to-date information, even if not all the details or plans have been worked out. We often feel that we have to have all the answers before we can communicate anything, but time and again, employees ask to know as much as possible as early as possible. When given information throughout the process, employees who were laid off reported greater satisfaction with the process than employees who held on to their jobs but were kept in the dark and felt insecure throughout the process.

The speed of change is increasing every day, and few individuals will escape its impacts. Being better prepared to accept change individually and to help others through it will go a long way to increasing individual and organizational change-ability.