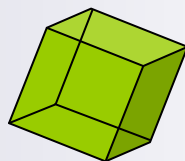




Night Light Series

Getting to Point B

Overcoming Key Threats to Change



Stratexos, LLC

Strategy Execution Solutions

The Situation

The rumors were out there. Somebody had talked to somebody who had lunch with somebody who saw members of the executive team huddled conspiratorially one weekend at a resort far away from the corporate office. It was all over the company's intranet. Along with speculation about what it all meant.

Fact: The company had missed its numbers for the third straight quarter.

Fact: The Board of Directors was not happy.

Fact: Something had to be done.

The rumorists didn't know what that "something" was, but that didn't stop them from guessing. "Massive layoffs" was at the top of their list, since hiring had been frozen and budgets cut last quarter. This was followed closely by "a merger with the enemy."

The executive team discussed the situation. One senior executive we know dismissed the rumors as "the product of people with over-active imaginations and too much time on their hands."

Another laughed at the rumors. "It's just people gearing up to resist change. It's natural," he said. "It's why God made pink slips."

The CEO had heard enough. Finally, she said, "Gang, we've got a new problem."

A Perspective on Solutions

Even executives whose expertise involves identifying and solving problems can be

stumped when the problem is organizational. Frequently, they see two issues: the issue of finding the right answer to the problem, and the issue of getting people to accept that answer. Even if you believe a better approach is to see the issues as one—that is, "How do we involve people in finding the right answer to the problem?"—you end up with the same challenge: execution. What follows is advice on execution for the person responsible for leading organizational change.

Overcoming Key Threats to Change

Successful execution of organizational change requires addressing three show-stopping threats. The Threat-Solution Matrix (Figure 1) identifies them along with the impact each has on the organization, what is required of leadership, and time-tested actions for successfully addressing the threat. There is synergy. As you will quickly notice, a solution to one threat may have a positive impact on the others, as well.

Threat # 1: Fear

Though it's not politically correct to talk about, leaders need people to feel uncomfortable in order to motivate change. Too little anxiety and things continue as they always have. Too much and people are frozen in fear. Productive work suffers, or stops, while people worry, gossip, and send updated resumes to their trusted executive recruiter.

Anticipating this reaction, the effective change leader finds ways to channel the restless energy of worry into something more organizationally productive. The leader is looking for ways to motivate people to help. She or he will:



Solutions

Key Threats	Impact			Leadership Requirement		Time-Tested Actions	
	Fear			Productive work suffers or stops while people worry		Motivate people to help	
	Disruption			Productive work suffers or stops as organizational structures and processes breakdown		Actively manage the change process	
	Internal Politics			Productive work suffers or stops while leaders battle		Work with formal and informal networks of power	
						<ul style="list-style-type: none"> Identify what's wrong with Point A Paint a clear, compelling picture of Point B Provide time, information, and an opportunity to discuss concerns Involve people in planning and execution Reward the behavior needed for success 	
						<ul style="list-style-type: none"> Create an integrated plan for change Build in milestones, check points, and time for revision Use transition roles and structures Communicate plans and progress Develop legitimate channels for feedback 	
						<ul style="list-style-type: none"> Identify informal leaders Gain support from key power groups Align formal leadership Use evocative symbols and language Structure stability 	

Figure 1: Threat-Solution Matrix

- *Identify what's wrong with Point A.* Almost no one chooses to change when they are happy where they are. On the contrary, they fight like hell to stay there and to not lose ground. This is the first challenge of change facing the person trying to lead it. Therefore, what can you do to push people out of their comfort zones and shake them awake so they see their world differently? Direct, personal, experience of the need for change is the most powerful method, followed by indirect experience that individuals can relate to. Being exposed to new information can help, too. Executive teams have creatively used books, articles, presentations by experts, e-mail, web seminars, interactive blogs, and other

online technologies to disseminate information about how the business climate in their industry is changing and what that can mean for their particular organization. Data collected on an organization's strengths and weaknesses in responding to evolving customer or client demands have been discussed in leadership and department groups as a way of inciting them to action. What can you do?

- *Paint a clear, compelling picture of Point B.* To be fully committed to, and supportive of, change, people need to know where they're headed and choose to go. Therefore, as the change leader, you must paint a picture of the

destination with images and colors that will inspire them to take the trip. When you get there, what financial goals will the organization have reached? What industry rankings, ratings, and awards will it have earned? What will customers be saying about you? What will key competitors say? Closer to home: How will it feel to work in your organization? What will be your values? What actions and evidence will show that you “walk your talk”? What will the change mean for individuals?

- *Provide time, information, and an opportunity to discuss concerns.* Keep in mind that the number one question on people’s minds is: “What does this mean for me?” This is also numbers two and three. Given your organization’s culture, what are the most effective ways of giving people what they need to come to terms with what the change means for them personally?
- *Involve people in planning and execution.* There is a truism about change: “People support what they help create.” Given the choice, most people would prefer to control their fate rather than having it controlled by someone else. What strategies and mechanisms can be used to meaningfully involve people in the changes that will affect them?
- *Reward the behavior needed for success.* In the current system, people know what is expected of them, not only because of what they’ve been told, but more importantly because of what they’ve seen rewarded. How do you need people to act while you’re changing? What’s the specific behavior? What appropriate

rewards—recognition, status symbols, attractive assignments, promotions, bonuses, etc—are at your disposal? How are these earned?

Threat # 2: Disruption

When executives consider executing major change, there is always the concern about its effect on the primary work of the organization. They can’t shut down. They can’t afford a disruption in productive work caused by a breakdown in the organization’s structure and processes. To prevent this, the effective leader of change actively manages the change process. He or she will:

- *Create an integrated plan for change.* An organization is an interconnected system. You can’t change one part without affecting the parts to which it is connected. For example, a change in business strategy may require an adjustment in the organization’s structure, culture, and the skills of its people in order to be successful. What organizational elements, not initially the target of change, will be impacted by your change initiative? Given this, to ensure success, what else needs to change? Taken all together, what needs to come first? Come last? Develop in concert?
- *Build in milestones, check points, and time for revision.* Change takes time, yet people are impatient for results. Milestones help with momentum as they indicate forward progress is being made even while the end point remains out of immediate sight. To successfully execute your change strategy, what is the first milestone? In your situation, what spacing between milestones is long



enough to allow progress, yet close enough to motivate continued movement? Because all plans are perfect until they meet the ever evolving world, what process check points need to be included in your plan to ensure the moving parts remain in synch and on track?

- *Use transition roles and structures.* Consider setting up a temporary committee of carefully selected people to guide and monitor the change initiative. This committee will disband when the initiative is completed. As long as the change strategy includes explicit methods for the executive team to be kept appropriately involved and informed, this will take pressure off the existing management structure. Whether or not you use a committee, consider using a “transition manager” whose role is to manage the change process from “what is” to “what will be.” In your situation, who are the knowledgeable, respected individuals whose time could be made available to serve on a committee such as the one described? Who has the respect, authority, connections, goodwill, and process skills to serve as the “transition manager”? How would these roles relate to the organization’s CEO, and the executive team?
- *Communicate plans and progress.* For people to get on board and stay on board, they need to know what’s going on. Otherwise, they make things up. In your situation, who has the authority to decide the key messages? Given your organization’s culture, what are the most effective methods for ensuring saturation, accuracy, and consistency of communication?

- *Develop legitimate channels for feedback.* If the change is significant, people are going to talk about what’s going on. The conversation will be behind closed doors, through e-mail, beside the proverbial water cooler, with people they trust. Some of it will be venting frustration, nothing more. Some of it will be rebellious, looking for support for “the wrong that’s being done.” From those who feel “management’s finally getting it right,” there will be quiet cheering. All of it is important. All of it affects morale and momentum. It can tell you a lot about how the change initiative is going and what adjustments need to be considered. How can you ensure that leaders of the change initiative know what’s really going on “out there”?

Threat # 3: Internal Politics

People with power want to keep it. Change threatens that. Productive work can slow down or grind to a halt while leaders battle. Knowing this, the effective leader of change works with the formal and informal networks of power. Here’s how:

- *Identify informal leaders.* Who are the individual opinion shapers not in the formal organizational hierarchy? How might they be persuaded to support the necessary changes? If they can’t be persuaded, what’s the alternative?
- *Gain support from key power groups.* What groups have a stake in whether or not the changes are successful? Which do you want to involve? Which do you need to isolate or dissolve?
- *Align formal leadership.* How can you ensure all levels of the leadership



hierarchy are consistent in what they say, and the actions they take, in support of the change effort?

- *Use evocative symbols and language.* They carry power. In many settings, they are used to help people separate “what was” from “what will be” and connect to the latter. In your situation, what individual titles and designations for organizational units will convey new status and authority? What name for the change initiative and/or its components will give them uniqueness and energy? What logos, graphics, music, etc. can be used consistently to symbolize the effort? What other such devices would be effective in your situation?
- *Structure stability.* There is comfort in predictability. People can only stand so much change at one time. When the ground shakes, we all need something-not-moving to hold on to. Consider this: With all that’s changing, what won’t be? What regularity/consistency/predictability can you provide?

Final Thoughts

People have good reasons for resisting. Sometimes they don’t know why they should change. Sometimes they know, but are afraid. Sometimes they don’t know how. Sometimes they just don’t care.

If you take these seriously, you can help those who fall in the first three categories. The creative solutions developed in response to the questions included in the approach above will do that. This approach has been effectively used with executives appointed to lead change, executive teams, and other leaders considering how to help their

organizations get from where they are to where they need to be. For those in the fourth category, you have to ask yourself, “What can be done to move them into another category—or out of the way?” As someone once said, “The show must go on.”

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About Stratexos

Stratexos, LLC helps senior executives create, execute, and evaluate solutions to the leadership and organizational issues keeping them up at night. Areas of expertise include:

- Chief Executive Transition
- Executive Team Performance
- Sharpening Organizational Strategy
- Designing Organizational Structures
- Aligning Organizational Culture
- Orchestrating Effective Change

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