Change Leadership

Thoughts on the science and art of implementing culture change that lasts

Doug Wilson
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By definition
Leaders create change
Managers value stability

It's one thing to start change
Quite another to successfully finish it
Change can be organizational
or
Change can be individual
How Successful Are We In Managing Change?

- 15% chance of successful change  
  (Ken Blanchard & Associates)

- 67% of TQM efforts failed  (Arthur D. Little)

- 70% of reengineering initiatives failed  
  (Power Projects)

- IT Projects
  - 1 in 6 IT change initiatives such as ERP and CRM systems turn out to be money pits, with cost overruns averaging 200% and schedule overruns of almost 70%,  (McKinsey)
Changing Organizations

Adapted from “6 Box Model of Organizational Analysis” by Marvin Weisbord
## Drift or Step Change

Which change approach fits?

<table>
<thead>
<tr>
<th></th>
<th>Drift</th>
<th>Step Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belief</td>
<td>People need to behave differently</td>
<td>Organization needs different focus</td>
</tr>
<tr>
<td>Goal</td>
<td>Not sure but want something better</td>
<td>Clear target with specific success objectives</td>
</tr>
<tr>
<td>Direction</td>
<td>Point in a general direction</td>
<td>Specific direction with specific plan</td>
</tr>
<tr>
<td>Driver</td>
<td>Informal organization</td>
<td>Formal management initiative</td>
</tr>
<tr>
<td>Required actions</td>
<td>Better training and encouragement will create results</td>
<td>Entire organization change is required</td>
</tr>
<tr>
<td>Metrics</td>
<td>Know it when we see it</td>
<td>Define success measurements of project and results</td>
</tr>
<tr>
<td>Results</td>
<td>Results less certain</td>
<td>Results planned</td>
</tr>
</tbody>
</table>
The most general lesson to be learned from successful change efforts is that change goes through a series of phases, that in total, usually requires a considerable length of time. Skipping steps creates only the illusion of speed and never produces satisfactory results.”

John Kotter
Harvard Business School
The Integrated Change Process

- Determine Capacity for Change
- Prepare the Plan
- Build Urgency & Gain Commitment
- Prepare the Organization
- Formulate the Vision
- Implement the Plan
- Manage the Transition
- Complete the project
- Link to the culture
- Manage for Results
- Complete the project

Formulate the Vision
Creating the Change Vision

• Change vision provides a picture of a future with specific benefits

• 3 purposes of a change vision
  – Specifies direction
  – Gives meaning
  – Guides efforts
Characteristics of an Effective Vision

• Sensible to Mind

• Appeals to the Heart
Peter Drucker

The key to a successful strategy is the willingness to slough off yesterday
Build Controlled Urgency

• Fan the flames
• Increase contact outside the organization
• Sell the vision
• Communicate reality
Build Commitment

• 3 Groups
  – Hot
  – Lukewarm
  – Cold
“All top executives and a majority of leaders in an organization must believe that substantial change is absolutely essential.”

John Kotter
Leading Change
Requirements for Effective Change

A. Detailed Project Plan – Work Plan

B. Change Management Plan – People Plan
Preparing the Organization
Phases of Culture Change

Unfreeze

What
Why
Who
How
When

Move

How well

Refreeze
Phase I - Unfreezing the Organization
Kurt Lewin’s 3 Phases of Change

• **Unfreezing** — How do I prepare the organization to change?
  
  Do not expect people to understand or embrace easily the need for change

• **Moving** — How do I manage the chaos?

• **Refreezing** — How do I stabilize and maintain desired results?
Unfreezing - Force Field Analysis

Restraining Forces

Reasons Not to change

Area of desired change

Desired State

Current State

Reasons to change

Driving Forces
Unfreezing

• Create controlled urgency

<table>
<thead>
<tr>
<th>What It Is Not</th>
<th>What It Is</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demanding new behavior</td>
<td>Create realization that there is a better way</td>
</tr>
<tr>
<td>Limited communication</td>
<td>Challenge with new information</td>
</tr>
<tr>
<td>• Filtered through middle management</td>
<td>• Facts, examples, statistics, outside experts</td>
</tr>
<tr>
<td>1 way downward</td>
<td>2 way discussion</td>
</tr>
<tr>
<td>From upper management through middle management only</td>
<td>Through supervisors</td>
</tr>
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</table>

• As a rule of thumb, leaders under communicate during change by factor of 10
Phase II – Moving Phase

Most mismanaged phase of change management
Kurt Lewin’s 3 Phases of Change

• **Unfreezing** — How do I get the organization ready to change?

Do not expect people to embrace easily the need for change

• **Moving** — How do I manage the chaos?

Even though the content of change may be radical, the implementation process has to be methodical. People are just as concerned with the process as with the result

• **Refreezing** — How do I stabilize and maintain desired results?
Phase II – Moving

The Learning Curve

Implementing the Project Plan

When take something away, must replace it with something better

Learn to quit doing this

Learn to start doing this
Problems in the Moving Stage

This is why most change efforts fail – failure to manage the chaos

- Increased Unfocused Energy
- Low Stability
- High Uncertainty
- Perceived Levels of Inconsistency
- Informal Organization Activity Increases
- Amount & Intensity of Conflict Increases
- Past Patterns of Behavior Become Highly Valued
- Trust May Deteriorate
- Willingness & ability become confused
- Control Becomes A Major Issue

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Implications of Multiple Changes

Stress is added to organization as staff unlearn one skill and learn new skill.

Stress on staff is compounded when new changes are added before previous change efforts are completed.
Moving Phase

Light At The End Of The Tunnel

Informed Skepticism

Premature Finish

Uninformed but accepting

Completion

Goal
<table>
<thead>
<tr>
<th>Phase</th>
<th>Issue(s)</th>
<th>Leaders Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uninformed but Accepting</td>
<td>“Piece of cake”</td>
<td>• Keep vision fresh,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Communicate reality</td>
</tr>
<tr>
<td>Informed Skepticism</td>
<td>“Not worth it”</td>
<td>• Refresh Vision, Hope</td>
</tr>
<tr>
<td></td>
<td>Give up, check out</td>
<td>• Ask for commitment</td>
</tr>
<tr>
<td>Light At The End Of The Tunnel</td>
<td>“Got it”</td>
<td>• Celebrate small wins</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Define next steps</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Focus on end result</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Involve others</td>
</tr>
<tr>
<td>Premature Finish</td>
<td>Quit too soon</td>
<td>• Celebrate success</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Emphasize remaining details</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Transition ownership</td>
</tr>
<tr>
<td>Completion</td>
<td>Project never ends</td>
<td>• Celebrate completion</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Document learnings</td>
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<tr>
<td></td>
<td></td>
<td>• Reward success</td>
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</table>
Planning for Short Term Wins

People are motivated when they are making progress toward something significant

- Importance
  - Provides evidence that effort is worth it
  - Supporters need encouragement
  - Builds momentum

- Criteria
  - Visible
  - Related to change effort
  - Unambiguous

- When
  - Throughout moving phase
Communication

• Communicate what?

<table>
<thead>
<tr>
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<th>Address Concerns</th>
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<tbody>
<tr>
<td>Answers to questions</td>
<td>Solicit input into decisions</td>
</tr>
<tr>
<td>Status</td>
<td>Learning's</td>
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• Findings
  – Need formal process to collect and answer questions
  – Need to respond in timely fashion
  – Need to communicate **through supervisors**
Phase II – Communication

1. Informed Skepticism
   - What are trying to do?
   - Why are we doing it?
   - What concerns do you have?

2. Uninformed Acceptance
   - What are trying to do?
   - Why are we doing it?
   - What concerns do you have?

3. Approximate Performance
   - Questions & Concerns
   - Answers

4. Premature Completion
   - Questions & Concerns
   - Answers
   - What were we trying to do?

Goal

Impact Concerns
Implementation Concerns
Involvement, Information & Individual Concerns
Phase III – Refreezing
Kurt Lewin’s 3 Phases of Change

• **Unfreezing** — How do I get the organization ready to change?
  
  Do not expect people to embrace easily the need for change

• **Moving** — How do I manage the chaos?
  
  Even though the content of change may be radical, the building process has to be methodical. Most people are just as concerned with the process as with the result

• **Refreezing** — How do I sustain and maintain desired results?

  At some point, you have to burn the boats
Asking how he became a WWII Hero

“They burned my boat”

JFK
Phase 3 – Refreezing

- Change expectations and measures
- Change structure and processes
- Modify systems
- Continue to build capability
- Modify rewards system
- Leadership

Diagram:
- Strategy
- Customer
- Structure
- Leadership
- Skills
- Rewards
- Systems
Sustaining the Gains
How Do We Do it Right?

Leading change is a total leadership effort
Not a training effort
Key Lessons Learned

13. Continued attention to quality must be formal

- **Plan the System**
  1. Purpose
  2. Objectives
  3. Metrics
  4. Process
  5. Responsibilities
  6. Training
  7. Information flow
  8. Ownership

- **Do the Work**
  Work is performed

- **Modify the System**
  Make changes in system

- **Monitor Performance**
  Monitor performance of system
  **Key Issue: Monitor what?**

These two areas are typically neglected

A lot of effort is typically spent on these areas
What Can Go Wrong?
# Quality Culture Change Issues

## 7 deadly sins of change management

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<th>Unfreezing</th>
<th>Moving</th>
<th>Re-freezing</th>
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<tr>
<td>1. Lack of clarity or agreement on what success looks like</td>
<td>1. Lukewarm leadership support</td>
<td>1. Change never ends, evaluated or celebrated</td>
</tr>
<tr>
<td>2. Senior and middle management think they support but don’t</td>
<td>Lack of Senior leadership attention</td>
<td>2. Leadership does not oversee on-going results</td>
</tr>
<tr>
<td>3. Little or no urgency</td>
<td>Middle management resistance</td>
<td>3. Old process and systems not dismantled</td>
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<tr>
<td>4. No plan</td>
<td>Supervisors treated like staff</td>
<td>4. Management monitors and rewards based on old criteria</td>
</tr>
<tr>
<td>5. Organization is not prepared or no champions (telling is changing)</td>
<td>2. Focus on wrong group</td>
<td>5. Misaligned consequences</td>
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<tr>
<td>6. Absentee ownership</td>
<td>3. Short term successes not planned or recognized</td>
<td>6. Application capability development not continued</td>
</tr>
<tr>
<td>7. Antecedents, behavior and consequences not planned or aligned</td>
<td>4. Under communication and lack of meaningful feedback (Failure to address questions and conflict quickly)</td>
<td>7. Lessons learned not discussed</td>
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1. Change never ends, evaluated or celebrated                              
2. Leadership does not oversee on-going results                             
3. Old process and systems not dismantled                                  
4. Management monitors and rewards based on old criteria                   
5. Misaligned consequences                                                
6. Application capability development not continued                        
7. Lessons learned not discussed                                           

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Questions?

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