

Change Management Needs a Change

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Change is escalating, and the current models of managing change do not seem to be working well. Numerous reports concur with the following from a summary of the report by Ken Blanchard's team¹: "Up to 70 percent of all change initiatives fail; a figure so high it means that most change initiatives are doomed to failure from the start."

This fact seems to be supported by some of our own data showing that the leaders who are managing these changes are reporting a lack of confidence in their own organizations' ability to change, and it seems to be getting worse over time. For these reasons, the art and science of change management is due for a change. For openers, managers should:

- ❑ Quit thinking about change as something that is negative.
- ❑ Stop talking about change management as an event.
- ❑ Use new models and move away from those based on grief management.

DATA FROM LEADERSHIP PULSE

In the most recent Leadership Pulse² (survey of panel of leaders done quarterly), we asked questions about leadership confidence. These questions have been used with the group periodically since 2003, and as can be seen in the trend chart in **Exhibit 1**, confidence in ability to change is declining. The confidence

questions use a 1-to-5 scale, where 1 is no confidence at all, and 5 is very confident. The overall mean in the survey, which was conducted in March–April 2014, was 3.38, and this was with approximately 550 leaders from multiple firms reporting.

Examining the details of the confidence question shows that from 2012 (the last time the question was asked) to 2014, the mean score dropped by .05 points overall, but for the subset of people who responded both times (151), the decline was .08 points.

In this same survey, we collected data on the firm's financial performance. Using these data, we found a significant correlation between confidence in ability to change and firm-level performance. We cannot, in this study, lay claim to causation; however, we can say these two variables are related in a positive direction. When change confidence improves, firm performance also is higher. We also found that change confidence is significantly related to employees' perceptions that their firms can execute on vision.

In our fieldwork, we see within individual organizations that confidence is an influential factor in driving growth and success in meeting firm-level goals. Consider the parallel case of consumer confidence. When customers are confident, they buy more. When employees are confident, they give more time and energy to their companies. High levels of confidence result in reduced turnover, more positive attitudes toward the organization,

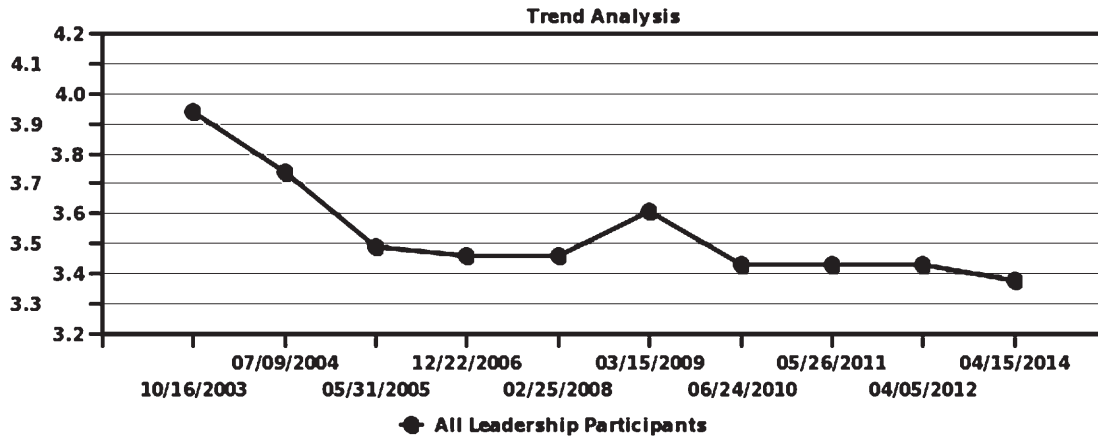


Exhibit 1. Trend Chart of Response to Question Asking Leaders to Rate Their Confidence in the Organization’s Ability to Change

positive energy, and higher productivity. Thus, seeing confidence continue to decline is problematic.

In interviews with leaders, we are finding that confidence declines are related to an awareness that organizations are lacking the right tools to manage in today’s high-change, fast-paced business environment. In fact, many of the recommended tools and processes date back to a time when business was much slower. One of those areas of work that needs evolving is change management. In this article, I focus on one way in which change management can be altered and provide examples from the field on how businesses have used these ideas to change the way they think about and act on change.

CHANGE MANAGEMENT HAS ROOTS IN STUDIES OF GRIEF

Many change-management models and associated processes are based on early learning from grief management. This work, which started in the 1960s and focused on the experience of personal loss (e.g., death of a loved one and experiencing significant health

problems), was used to design interventions and change processes to help employees accept change. The assumption is that change is bad; employees need to grieve the loss of their prechange conditions, and through a drawn-out recognition of how negative the change is, employees can learn to move on.

The reason these models were used by organizations was that consultants saw a parallel between grieving loss in health-related issues and grieving loss of a job or department. The grief models applied to business change worked well when change was an event. One could see a clear starting and stopping point of the change event, and then a path for recovery could be plotted out. This change strategy recognized the full range of emotions laid out in the health-related grief models. The concept of mourning the loss of the prior organization and job was quite useful in helping employees move through change.

Cycles of Change Are Different Today

However, our Leadership Pulse research and client work suggests that these grief-based models are not appropriate 50 years later.

Today, the cycles of change have escalated; there is no relief time between change events because business continues to speed up. Leaders, managers, and employees need to keep up with the frantic pace of business. Today's global organization does not have time for the long grief cycle–focused change-management processes that the earlier models require. It is time for successful organizations to reinvent change management based on what is known about business today.

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Today, things are different:

- ❑ Change is constant.
- ❑ Change needs to be embraced, not mourned.
- ❑ Resilient employees who know how to make change work for their own careers will embrace change and thrive with new change-making skills.
- ❑ It is critical to learn how to develop organizational and employee resiliency.

Marketing and Sales Models Replaced the Grief-Based Models

There are some old wives' tales that still exist in organizations, and one such strong notion is that people cannot change. However, there is evidence to the contrary. One body of work focuses on study of brain function. According to David Rock³:

The track record of failed efforts to spark high-performance behavior has led many managers

to conclude that human nature is simply intractable. You can't teach an old dog new tricks. Yet neuroscience has discovered that the human brain is highly plastic. Neural connections can be reformed, new behaviors can be learned, and even the most entrenched behaviors can be modified at any age.

Thus, if we change our assumptions a bit that people can change more easily, then we also can use alternative models for thinking about change management. In a high-change world, the more effective models should be those creating an environment that is entrepreneurial in nature, focused on ongoing change, viewing newness as posing opportunities, and creating work environments where employees thrive.

Protection-motivation theory has been used to develop interventions for large-scale attitude and behavioral changes in other fields (e.g., for people to stop smoking or to change other habits to improve health).

One of the theories that we use to convert grieving models to entrepreneurial, continuous-change systems is protection-motivation theory. This theory is useful if a change event or ongoing change process is designed to lead to different employee behaviors. Protection-motivation theory has been used to develop interventions for large-scale attitude and behavioral changes in other fields (e.g., for people to stop smoking or to change other habits to improve health). The core concepts of the theory are:

1. High emotional charge is needed to get people to listen to the change message. The message must be strong, and it must be targeted or important to the individual.

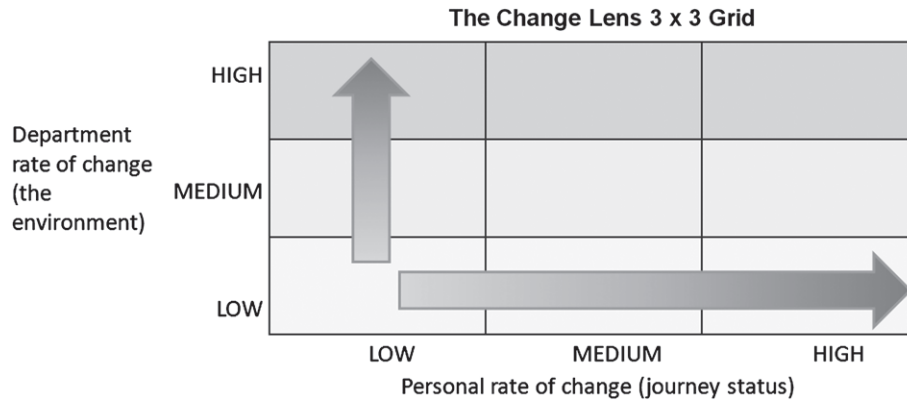


Exhibit 2. Change Lens Grid

Note that the message does not have to be negative; it can be positive in nature.

2. As you raise the emotional charge (sense of urgency to change a habit or do something differently), people need to feel confident that they can be successful in this new environment. Thus, marketing processes become useful in creating interventions. By marketing and telling stories, one can build confidence while creating excitement and positivity around the new state of the business.

CASE STUDY: CHANGE LENS™ RESEARCH

The ideas and models previously discussed were tested out in a large, global telecommunications organization. This business was in the middle of a large-scale reorganization as a result of several acquisitions. Significant funding had been allocated to rolling out change-management models steeped in assumptions from the grief-focused literature. As an experiment, we altered the strategy for one of the firm’s divisions.

The first step was to test out our assumptions that employees in this division, from the start, may not be as negative about change as we assumed. To do that we conducted

measurement work using the Change Lens.⁴ The study was designed to do two things. First, we wanted to validate the hypothesis that employees were not at their best at low levels of change, and second, we used the research to create and modify the interventions based on marketing methodologies.

Counter to what most people expected from this first phase of the experiment, we found that the most engaged people were those at higher rates of change.

The Change Lens grid (see **Exhibit 2**) measures employee perceptions of their personal rate of change and the rate of change of the group in which they are working (e.g., department or team). The questions used a 0- to 100-point scale, and we then bundled answers into three sections: low, medium, and high scores. Using the answers to these questions, we created a 3 x 3 lens and then plotted the percentage of people in each bucket along with the employee engagement scores of people in each group.

Counter to what most people expected from this first phase of the experiment, we found that the most engaged people were those at higher rates of change. Employees in

the low/low quadrant were the most dissatisfied and least engaged. The highest scores on all metrics assessed were, in general, at levels of medium personal change and high department change. We also found low scores associated with bigger gaps in change-assessment numbers. People with low personal levels of change and high department change as well as those with high personal change and low department change also had lower numbers.

The learning from this phase of work did two things for us. First, we reallocated the funds for the change-related interventions. The people at higher levels of change were the original target, but the analysis showed this group did not need much help.

Second, the work allowed us to continue to reinvent the interventions used during the reorganization. The work pivoted to take on a more marketing-oriented approach. Advertising change, rather than apologizing and grieving change, was the new imperative. Tasks associated with this approach include:

- ❑ Revisit all communications and training materials to delete any of the information focused on older change models. This information was replaced with language focused on the marketing messages about new opportunities.
- ❑ Employees were exposed, early on, to the messaging being developed for customers as that particular campaign had nothing at all to do with grief and suffering.
- ❑ As managers are key carriers of messages during change, considerable time was taken via focus groups and subsequent training to assure that managers were active participants in the campaign.
- ❑ Measurement was used to continually keep tabs on employee reactions to the events. The data were reported out to all managers

and leaders. Additionally, the measurement process was part of the intervention with questions strategically selected to support the conversations needed to retain a positive approach to change.

- ❑ Messages to reinforce the fact that change will *not* end were added to all meetings and communications.

In a posttreatment survey, we assessed survey scores using the Change Lens work. **Exhibit 3** shows an analysis of engagement survey data in this project. The data are organized by rate of change for both department and personal ratings. Seven engagement survey questions are included in this graphic. Looking at each group of questions per personal rate of change (see areas highlighted by boxes), one can see that scores are higher at higher rates of department change. The data highlighted on the far right focus on personal rates of change at the highest level. One can see that at the high, high levels, some of the questions start to dip to lower levels, but these scores are still not as low as those for people with low, low ratings.

These data and research from other organizations show that organizations that keep the overall sense of change at a high level are managing change well because they are really not managing change at all. It is part of the way they do business; they are creating an entrepreneurial climate, even if the firm does not consider itself to be a truly entrepreneurial firm.

BENEFITS OF MARKETING CHANGE VERSUS TREATING IT LIKE A DEATH SENTENCE

As we analyzed data from other firms going through change, we found that organizations using more aggressive and positive marketing

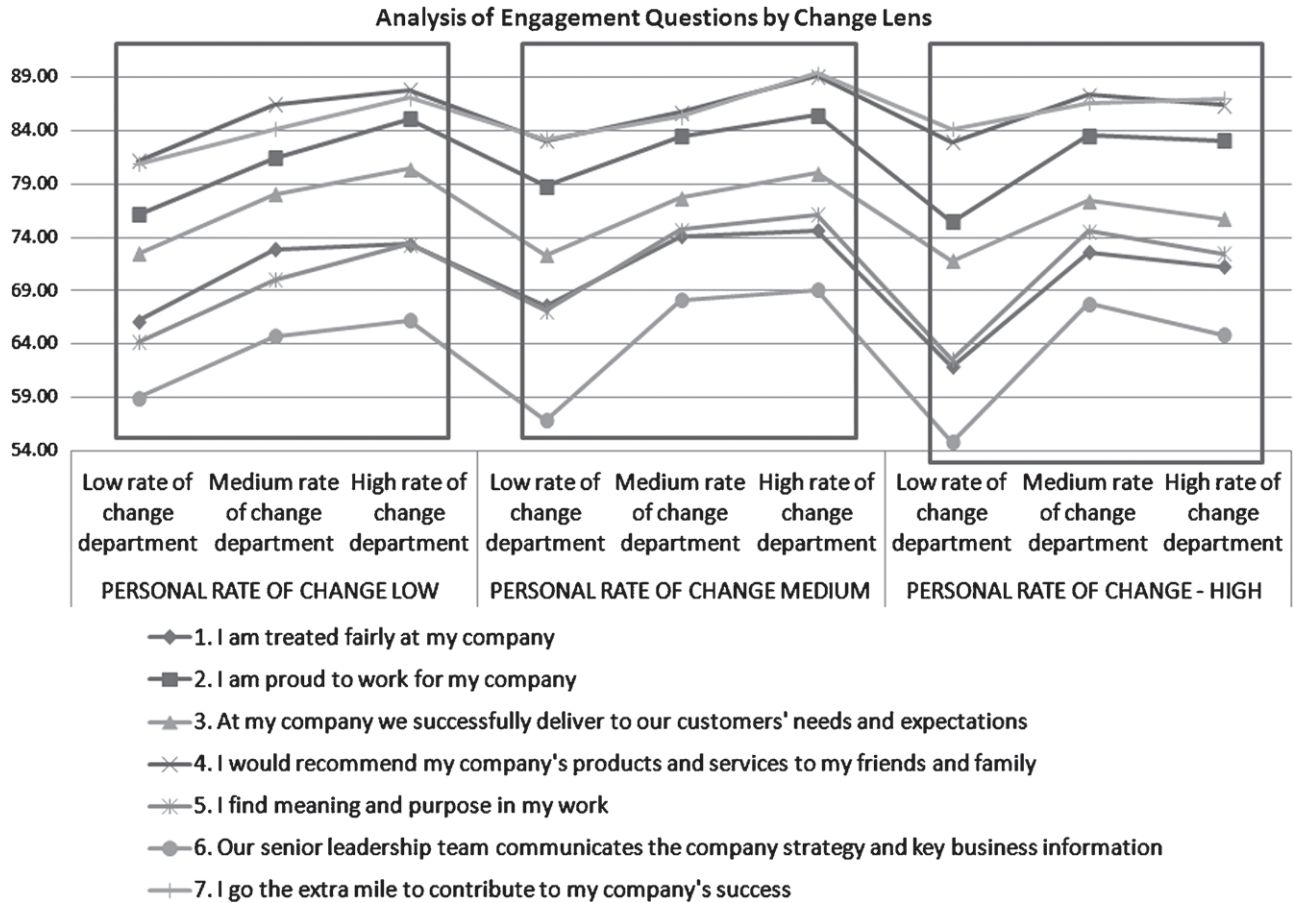


Exhibit 3. Posttreatment Survey Analysis with Change Lens™ (Percent Reporting Positive, 4 or 5 on Survey Scale, on Left Side of Graph)

of their change campaigns had more positive outcomes. Employees recovered quickly if there were negative spikes, and in many cases, employee engagement, energy, fairness, and confidence scores were positively rather than negatively affected by the changes. In as many cases as possible, we encouraged organizations to move language from change management to anything else that would suggest an ongoing, positive journey—and not a “thing” that will start and stop.

We also learned that continuous change or entrepreneurial, high-change companies work to create an overall high sense of urgency. Note that urgency is not equal to being busy or lots

of activity.⁵ Urgency is the motivation to keep moving forward versus standing still. Urgency is the opposite of mediocrity. Firms that retain urgency do not fall into the performance trap that demands “change-management programs.”

The implications for leaders who want to create entrepreneurial, agile, and fast organizations that sustain high-change-ready people are:

- Increase organizational sense of urgency targeted at continuous improvement.
- Use sales and marketing models to inspire, energize, and build confidence.
- Stop using grief models.
- Build employee coping skills.

- ❑ Use data; managing blindly doesn't work when you're going fast.

The challenge for today's leaders is to determine how to keep overall employee momentum and energy moving forward. Grief-based models and tools suggest to employees that change will end, and that is not the case. A change in management is needed today.

NOTES

1. Blanchard, K. (2010). Mastering the art of change. *Training Journal*, pp. 44–47.
2. The Leadership Pulse™ is a research project conducted by Dr. Welbourne and administered by eePulse, Inc. (www.leadershippulse.com). Leadership Pulse is a trademarked and copyright-protected term.
3. Rock, D. (2009). Managing with the brain in mind. *Strategy-Business*, 56, 1–10.
4. The Change Lens™ work is copyright protected by Dr. Welbourne. Permission to use it must be obtained before utilizing this model.
5. See Kotter, J. (2008). *A sense of urgency*. Cambridge, MA: Harvard Business Press. Also see series of articles under research section of www.eepulse.com. In particular, see articles under "From the Energy Files" for more on managing a sense of urgency.

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