
Leading Organizational Change

HCA LP

August 2011

A Change Model

Ease of Change....



D = Dissatisfaction

M = Model

P = Process

**Rc = Resistance to
Change**

**Cc = Cost of
Change**

Source: Mike Beer

A Change Model

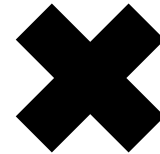
Left hand side: Drivers of Change



D = Dissatisfaction



M = Model



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Source: Mike Beer

Raising Dissatisfaction

Dissatisfaction - *emotional energy about performance or opportunity gaps*

- Communicate **NEED** for change *and* **COSTS** of not changing
- Conduct a performance/opportunity gap analysis (internal & external)
 - Comparative data
 - Contextual landscape analysis
 - Benchmarking
 - Employee attitudes
- Sharpen awareness of gap analysis
- Solicit involvement of key people

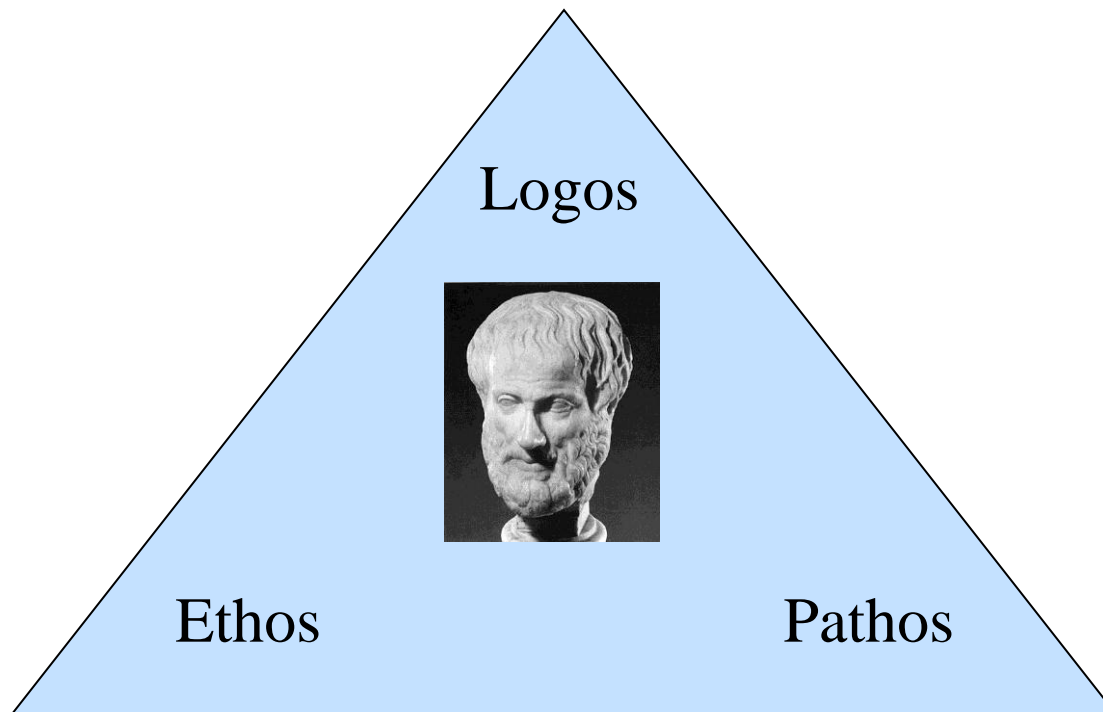
M: Focusing Dissatisfaction



- Clear and widely understood MODEL for change (M)
 - What is being changed
 - Why we are changing and why we are changing as we are
 - Where we want to go / what do we want to become
 - How we will change (the process)
- Model must be compelling and meaningful
 - Appeal to logic & facts, emotions, and values & purpose

Communicating the Model

- Logos –logic of the argument
- Pathos –emotional impact of the argument
- Ethos –values represented or expressed by leader



Characteristics of Effective Models

Desirable

- Satisfies stakeholders
- Motivates employees

Feasible

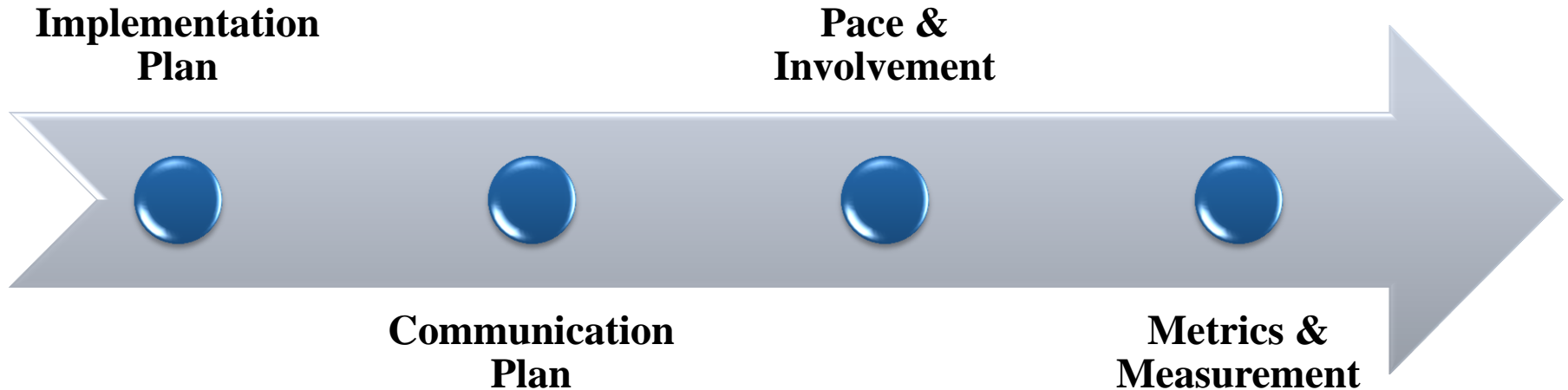
- Opportunity for short term wins
- Realistic stretch

Relevant

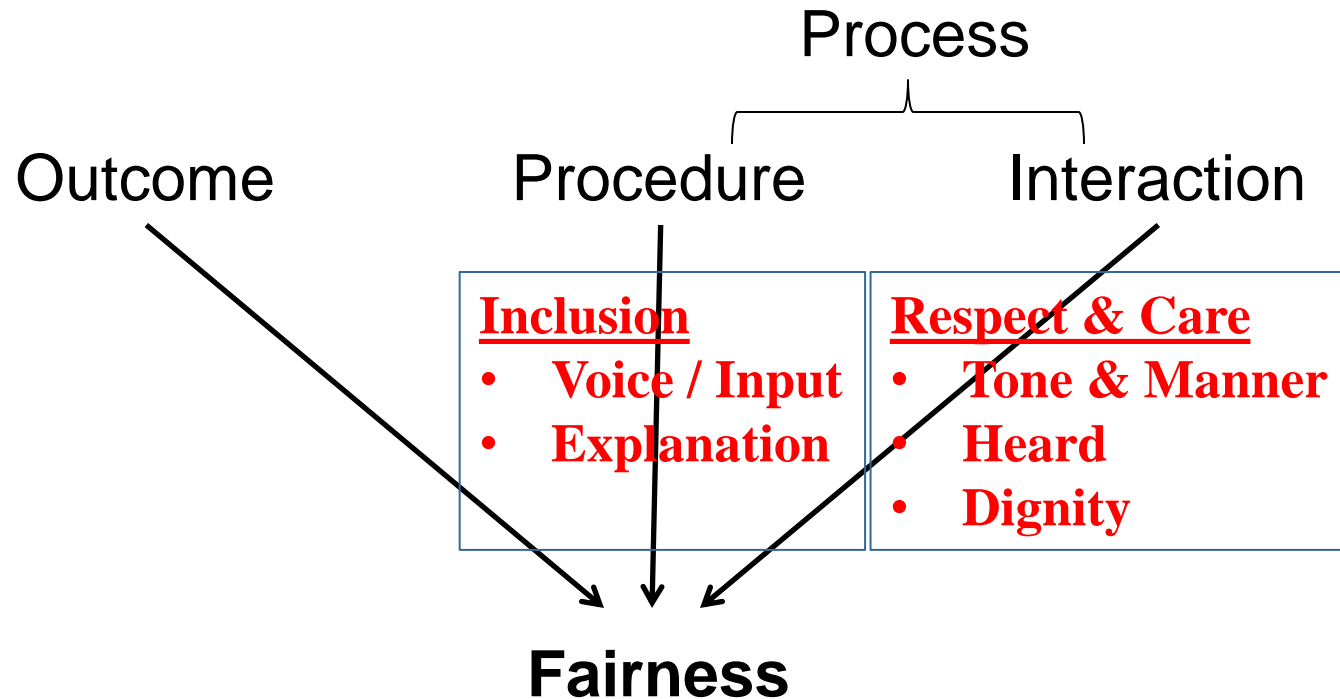
- Contextually sensitive

Examples: *Carlzon (customer-centric & judicious cost cutting)*
Welch (#1 or #2, fix or sell or close)

P: Process for Change



Managing the Process: How People Judge Fairness



Reactions to Organizational Change

OUTCOME FAVORABILITY

		LOW	MODERATE	HIGH
QUALITY OF PROCESS	LOW	1	4	7
	HIGH	5	7	8

Scale Range: 1 -11

Higher numbers represent more positive reactions (e.g., productivity, morale)

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BUT...

There is a tradoff. . .

Inclusion is hard work, frustrating, and time-consuming. . .

Change Process



Source: John P. Kotter

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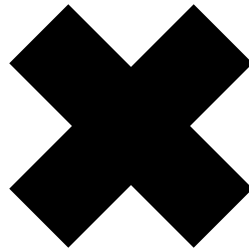
Source: Mike Beer

A Change Model

Unfreezing



Rc



Cc

Resistance to Change

Cost of Change

Source: Mike Beer

Resistance to and Costs of Change

Resistance to Change

- Anger
- Active or passive aggression
- Withdrawal
- Fear of loss
- Crisis of personal identity

Costs of Change

- Change in reward structure
- Power shifts
- Learning new competencies
- Building new relationships
- Time & energy

Peoples' Real Questions

- What is in this change for me?
- What will I have to give up?
- Will I get credit for past achievements?
- Will I know how to ... ?
- How does this affect my career prospects?
- Do I have the energy to make this change?
- Am I really in a position to make a difference?

Managing Resistance to Change

Listen

Allow venting

Hear concerns
& offer
support

Communicate

Build
understanding

Build trust

Involve

Create
opportunities

Generate
commitment
by
participation

Train

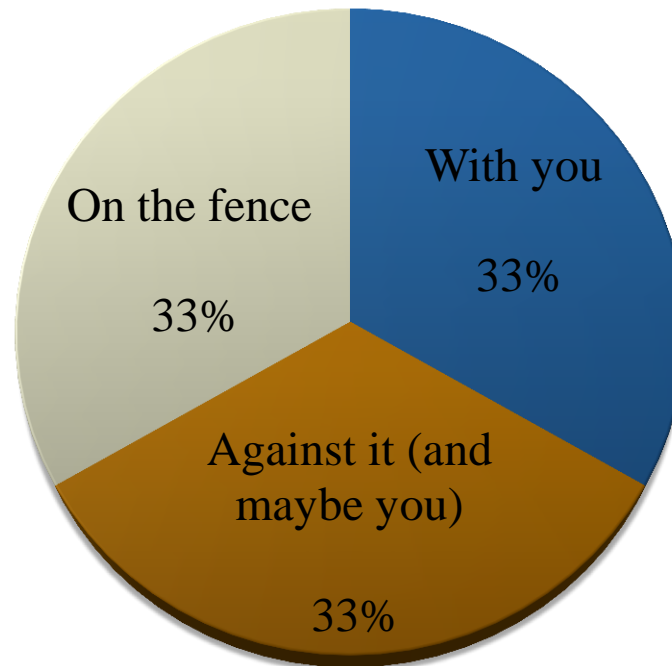
Coaching

New skill
development

Assessing Dependencies

Key Players	No Commitment	Let it Happen	Help it Happen	Make it Happen
1.				
2.				
3.				
4.				
5.				

Guideline for Moving Forward



need to convert $\frac{1}{2}$ of them
and keep the other half at
least neutral (bring them
along)

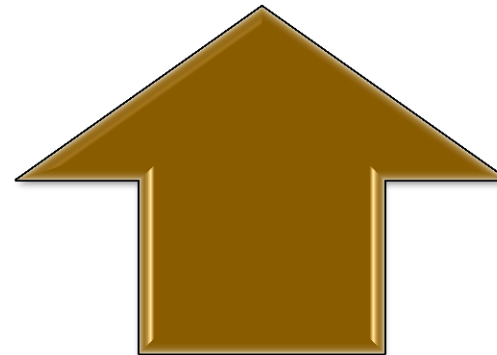
Balancing Tensions in Change Effort



Be tough
Be realistic
Go against the grain
Be self-confident



Show empathy
Show optimism
Capitalize on strengths
Be open to ideas



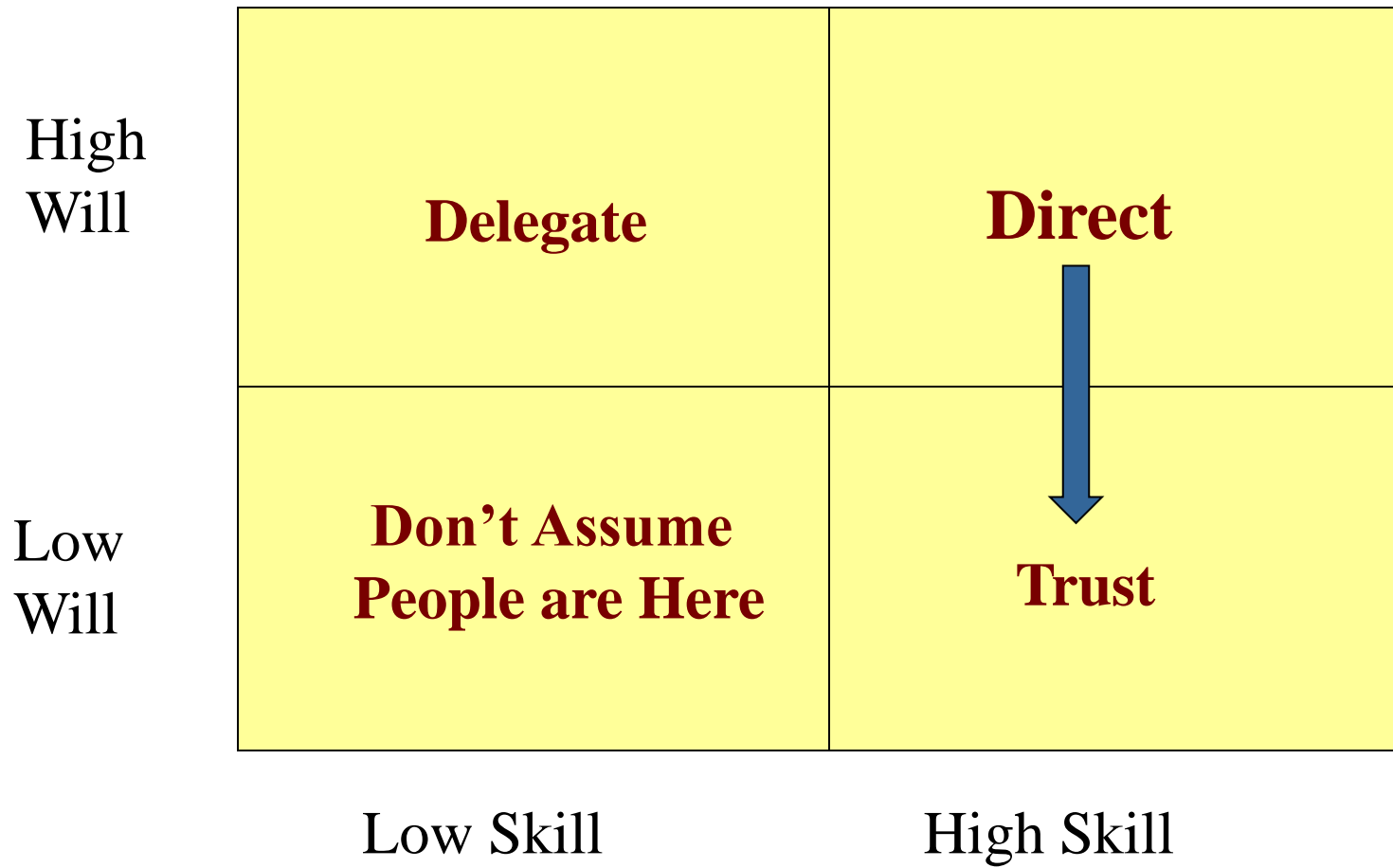
Source: Kerry A. Bunker & Michel Wakefield

Leading Individual Change

High Will	Guide: Structure & Coach	Delegate
Low Will	Direct	Challenge: Push & Support <i>(up or out)</i>
	Low Skill	High Skill

Source: Blanchard & Hersey

Leading Individual Change: Beware the Temptations



Source: Blanchard & Hersey

Overcoming Our Personal Immunity to Change

Column 1

Your Commitment:
Why Do You Want to
Change That?

Column 2

Most Want to Change
At Work

Column 3

Fears, Worries,
Concerns

Column 4

Purpose or Function
the Obstacles Serve

Column 5

Impediments:
What Do I Do that Keeps
Me From Making
this Change?

Separate piece of paper:

3 actions to combat the impediments

Suppose you discover that slip of paper. . .

Column 6

Three Small Experiments

(Keep, Stop, Start)

Based on © Robert Kegan and Lisa Lahey