

Leading Change for Results



DR. PHILIP HALLINGER

Managing Change

2

- List 2 things you think you know about managing change?
 -
 -
- List 2 things you need to know about managing change?
 -
 -

Workshop Objectives

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1. Why there are so many changes in organizations today.
2. Why people always seem to resist change.
3. Know predictable stages in the change process.
4. How to manage yourself and others during change.
5. Develop strategies for managing change in life and at work.



Workshop Agenda

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Day I

AM

Identify key change forces affecting organizations
Review changes at your organization
Begin change simulation

Lunch

PM

Teams of 3 play computer simulation of IT implementation at a company
Debrief after each year of change process

Day II

AM

Replay simulation
Debrief conclusions on successful strategies

Lunch

PM

Principles of effective change in organizations
Apply simulation result to *change* at your company

Detailed Agenda: Day One

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- Identify key change forces
 - General forces
 - Changes at Your Organization
 - Resistance to Change
- Play change simulation
 - Teams play simulation of IT change at Thai company
 - Implementation proceeds over a 3 year period
 - Teams get feedback on process and results
 - Periodic debriefing of process and results of teams
 - Identify emerging lessons, obstacles and successful strategies



We live in an age of rapid change.

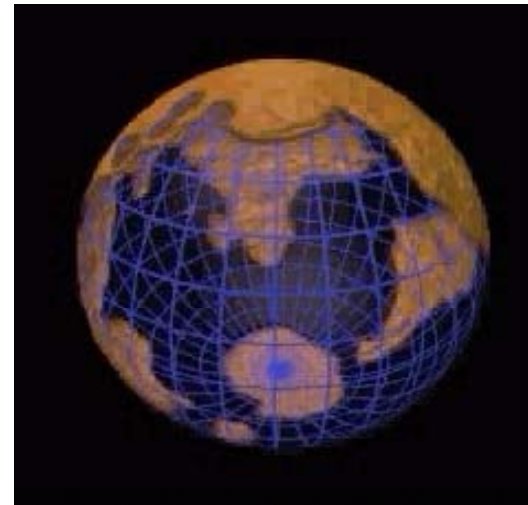
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Consumer Expectations are “Global”

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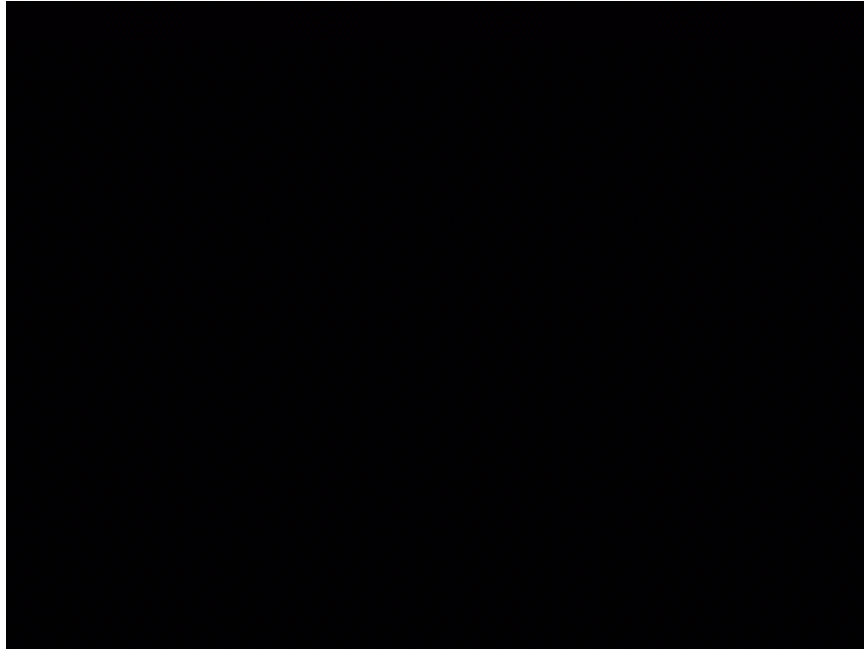
“Consumers around the world are developing similar expectations about what they ought to be able to buy as well as about what it is they want to buy.”



Ohmae, K. (1995). *The end of the nation state: The rise of regional economies*. New York: Free Press.

What is World Class?

8



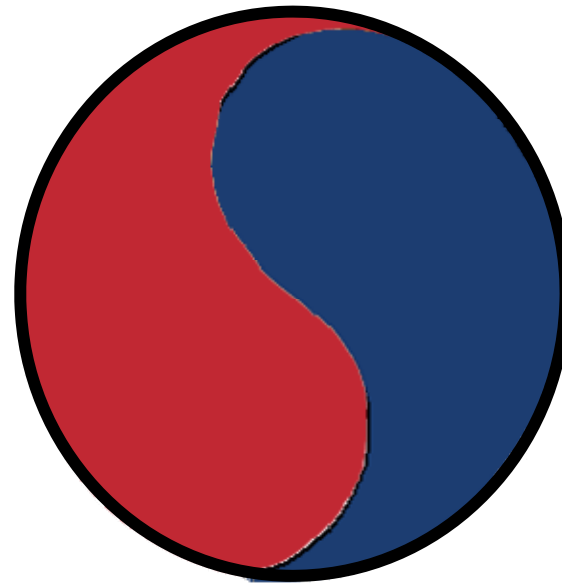
“As a company we must be competitive one person at a time. Each staff member must be as good or better than the best counterpart of that class of job anywhere in the world.”

J. Galvin, CEO Motorola

Change is the constant state today

9

- Global economy
- Technology
- Communication
- Transportation
- Media
- Leisure
- Learning



Resistance to change is our natural state

List Recent Changes at Your Organization

10

- _____
- _____
- _____
- _____
- _____
- _____



Why organizations change slowly

11

“A world in which change is the rule would be in chaos. *A society must always have one foot on the brake.*”



O'Toole, J. (1995). *Leading change*. San Francisco: Jossey Bass.



Watch Mr. Bean doing something new



List at least 3 of Mr. Bean's
feelings.







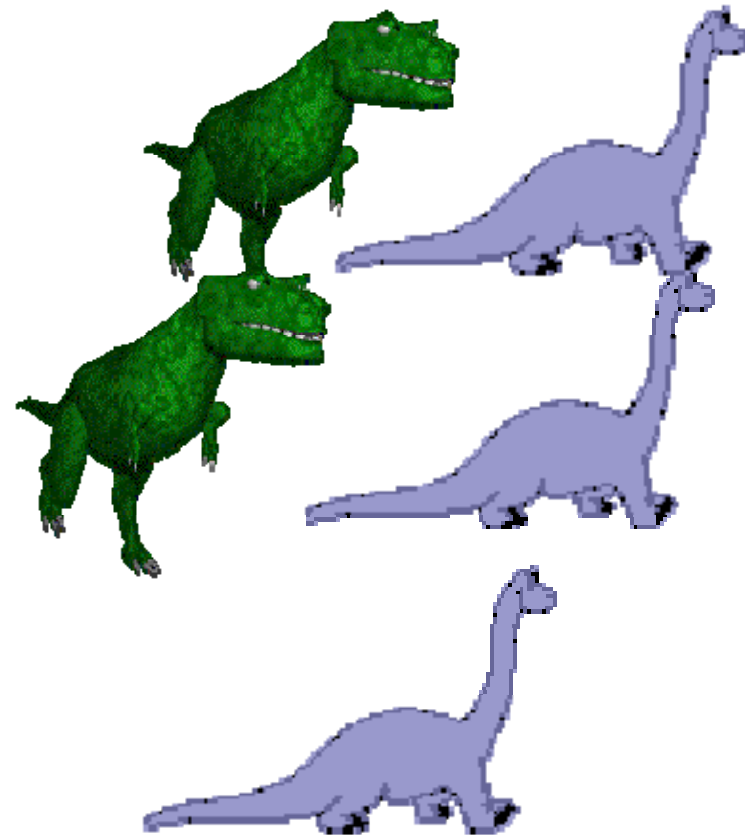




Why do we resist change?

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- Resistance is a natural healthy response
- Too rapid change and we become confused and ineffective
- A **bigger change** = more resistance
- **Many changes** at same time = more resistance
- **Too much resistance** and you become a dinosaur



People Often Resist Change for Good Reasons

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1. Reason for change is unclear
2. People are uncertain or unclear what to do
3. Poor communication
4. People don't believe change is worthwhile
5. People are afraid they will fail – can't do it

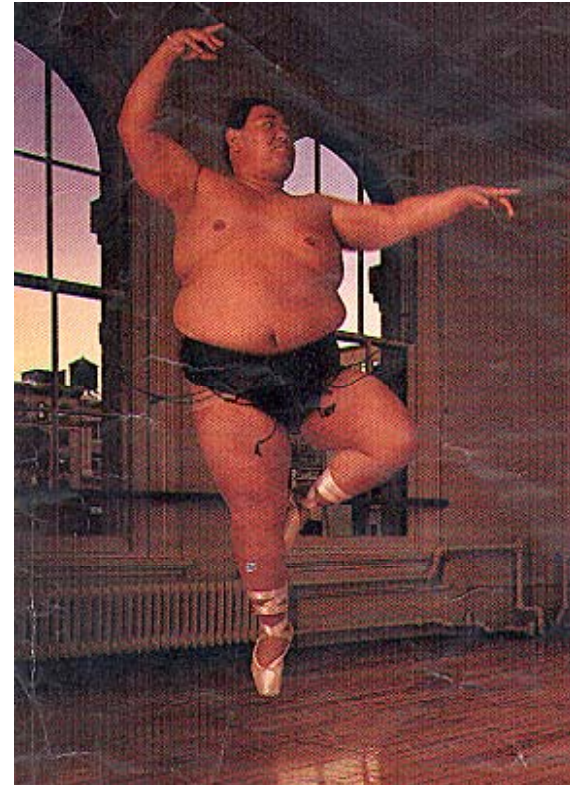
1. The change is not aligned with the company culture
2. Staff are not involved
3. Lack of trust
4. Lack of leadership
5. Lack resources
6. Lack knowledge, skill
7. Lack confidence



Your Obstacles to Change

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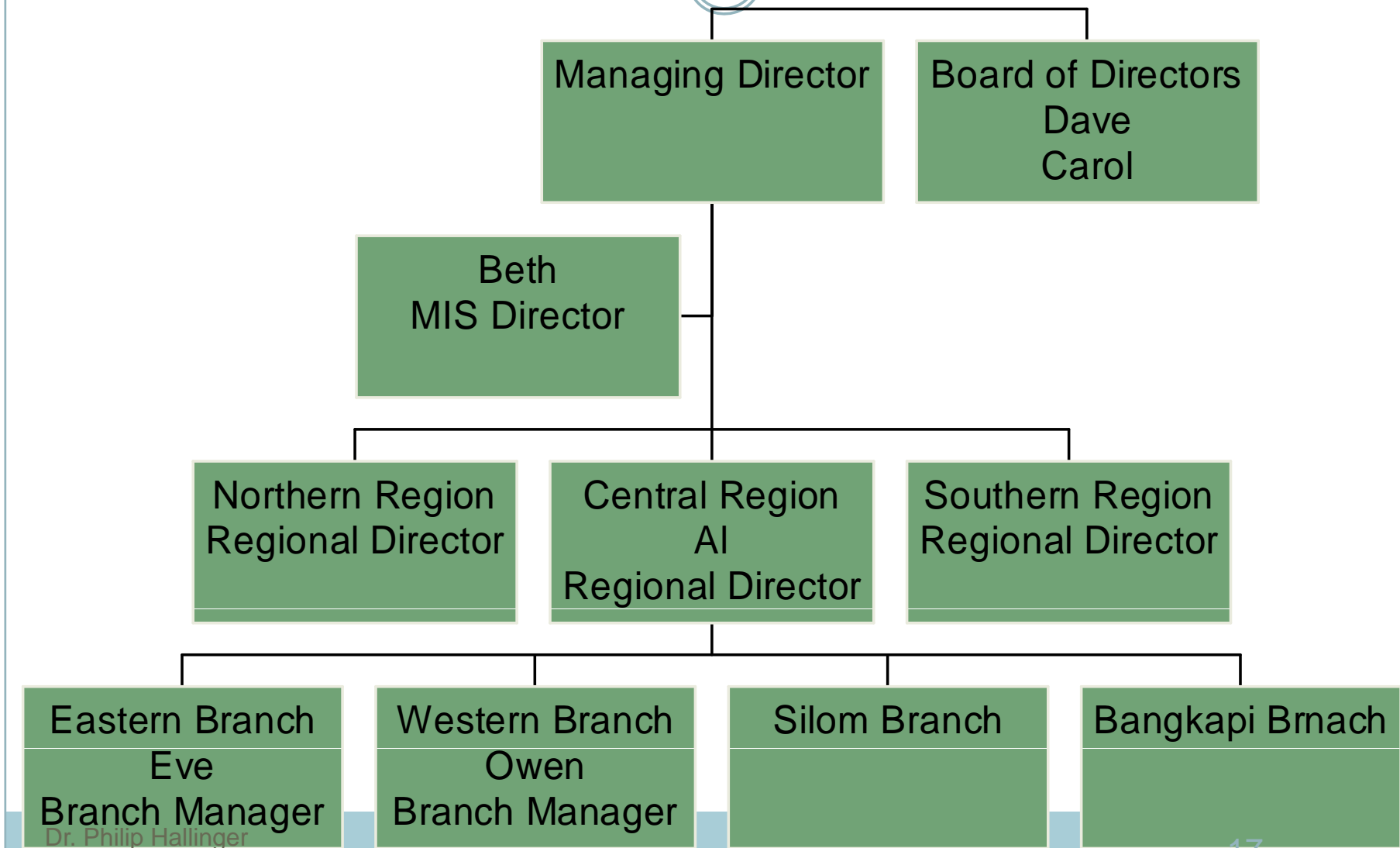
1. _____
2. _____
3. _____
4. _____
5. _____



Break



Organizational Chart for Best Co.



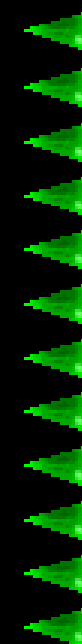
Making Change Happen

Year: 1 Bits: 35

Bennies 0

Activities

Consultant's Report
 Social Information
 Talk to First Time
 Talk to Second Time
 Talk to Third Time
 Written Information
 Presentation
 Workshop
 Advanced Workshop
 IT 2020 Demonstration
 Workplace Implementation
 Follow-Up Help
 Branch Technology Fair
 Theme Week Celebration
 Branch Support Group
 Software Revision
 Policy Implementation



| people\phases | | Info. | Interest | Preparation | Early Use | Routine Use |
|----------------|--------|-------|----------|-------------|-----------|-------------|
| Head Office | Al | | | | | |
| | Beth | | | | | |
| | Carol | | | | | |
| | Dave | | | | | |
| Eastern Branch | Eve | | | | | |
| | Fern | | | | | |
| | Gary | | | | | |
| | Hazel | | | | | |
| | Irene | | | | | |
| | Jan | | | | | |
| | Ken | | | | | |
| | Lora | | | | | |
| | Mia | | | | | |
| | Nora | | | | | |
| Western Branch | Owen | | | | | |
| | Pat | | | | | |
| | Q.T. | | | | | |
| | Ray | | | | | |
| | Simone | | | | | |
| | Thelma | | | | | |
| | Upton | | | | | |
| | Velma | | | | | |
| | Will | | | | | |
| | Xavier | | | | | |

Experts
 Dr. Philip Hallinger

Strategy

References

Quit

Simulation Instructions

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- You're a project implementation team in an organization.
- Goals:
 - To foster use of IT 2020 over a 3 year period.
 - To improve productivity.
- There are 24 people in the simulation (24 game pieces).
- Five Stages of Use in the process of adopting change.
- Budget: yr one 35 Bits; yr two 30 Bits; yr three 25 Bits.
- Activities: Choose from 16 activities to foster change.
- After selecting activities, you'll receive feedback:
 - Sometimes your pieces will move;
 - Sometimes you will also accumulate Bennies.



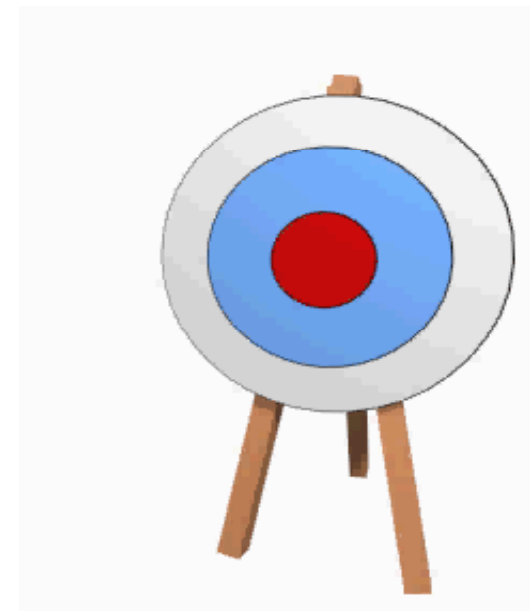
Lunch



Debriefing: Year I

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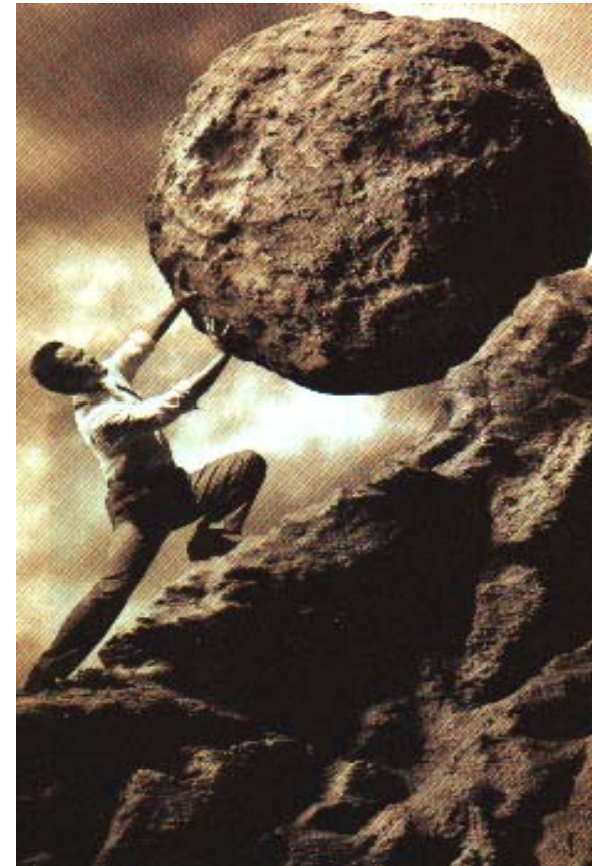
- Your progress?
 - Fostering use of IT2020 (player progress)?
 - Increasing productivity (Bennies)?
- Conclusions about change?
 - Pace of change?
 - Obstacles to change?
 - Effects of the IT2020 after a year?
 - Pattern of players' progress?



Learning from Year One



- Who are the formal and informal leaders you have influenced this year?
- How did they help you?
- Who are the people who are very hard to move? What are you doing about them?
- What are the roles people play in making effective change?



Following the Change Process



| Year/ Activity | I | II | III |
|-------------------|-----------------------------------------------------------|--------------------------------------|-------------------------------------------------------------------|
| Stages | Info, Interest, Preparation | Interest, Prep, Early Use | Prep, Early Use, Routine Use |
| Obstacles | Lack experience, support, interest, info, knowledge | Lack interest, knowledge, skills; | Lack political support, resources, implementation dip |
| Activities | Give/Get Info; Interest; Train | Interest, Train, Implement | |
| Bennies | Very Low | Moderate but Increasing | Support, Consolidate |
| | | | High |

Stages of the Change Process

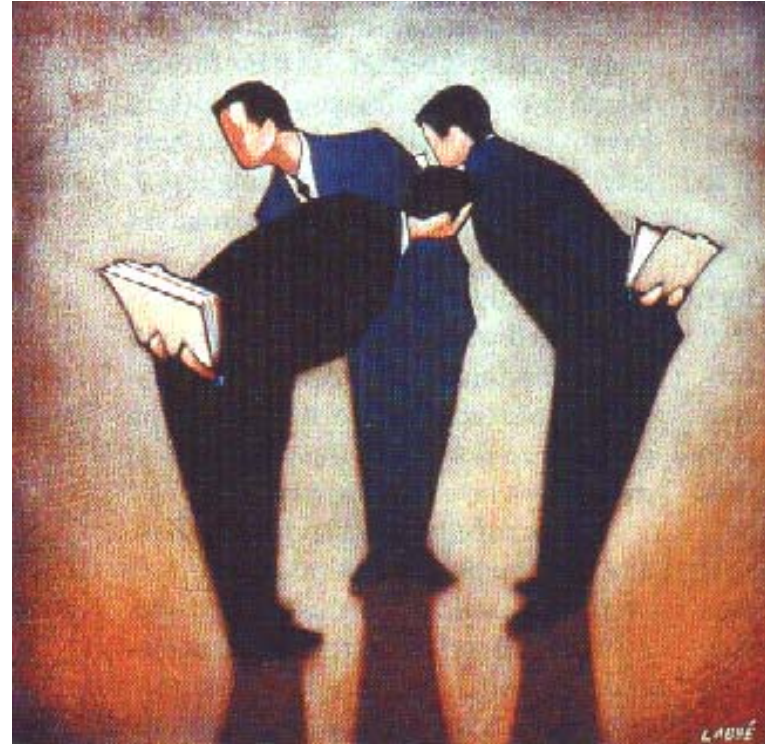
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| Stages of Change | What people say and what they want. . . |
|------------------|------------------------------------------------------------------------------------------------------------|
| Information | Not concerned; don't understand what, why, or how; not yet interested; need information |
| Interest | Have info, but worried how it will affect me and if I can do it; Uncertain about benefits; need confidence |
| Preparation | Interested, but lack confidence; Learning how to use, afraid of mistakes; need pressure and support |
| Early Use | Learning how to use, afraid of mistakes; need to develop skills, need support /feedback |
| Routine Use | Comfortable with new practices; I need system support/coordination for the best result |

Visit Other “Companies”

25

- How did they overcome the obstacles you face?
- What activities -- or sequence -- helped them move people?
- What activities gave them *Bennies*?
- Keep notes!



Back in Your Team: Discuss



- What did you learn from your visits?
- What do you need to do differently?
- Write down 2 specific goals for year two?
- What will be your strategy for this next year?



Welcome to Day II



Detailed Agenda: Day Two

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- Review from Yesterday's Session
- Present Change Theory
- Replay simulation to improve results
- Draw conclusions about successful change implementation strategies
- Consider application of the simulation process and results to change implementation at your organization

Summary From Yesterday

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- Match the activity to the staff needs
- Gain support and involve managers, leaders, experts, “high potential” staff
- Be clear about the role of managers and leaders
- Take time to create interest
 - Talk to (the right people) 2nd time
 - Use demo and if necessary FIELD VISIT
 - Involve “INTEREST” staff with PREPARATION staff in the Workshop
 - If these strategies fail to create interest go back to TALK TO some of the Slow movers 2 times

Key Sequences

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- Get Admin Support before Bus Unit Activities
- Get SOCIAL INFO before TALK TO Leaders
- Create Interest before Training (Workshops)
- Train – Implement – Follow-up – (Adv Workshop or Support Group)
- Get Implementation Experience first – Then Adjust Software & Policy
- Many Staff Implement – Celebrate and Share

How to Create Interest

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- Talk to the right people 2X
 - Manager support
 - Social influence of leaders
 - Energy of high potential and expert groups
- Presentation
- Demonstration
- Field Visit (if needed)
- Combine with More Advanced Users in Activities (e.g., Workshop, Field Visit)

Following the Change Process

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|-------------------|-----------------------------------------------------------|--------------------------------------|-------------------------------------------------------------------|
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| Bennies | Very Low | Moderate but Increasing | High |

Stages of the Change Process

33

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Debriefing Year II & III

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- What can you conclude about progress this year?
- What stages have most of the people moved through in this year?
- Has everyone moved at the same pace?
- What activities have been most successful?
- What sequences have been most successful?
- How did this year differ compared with prior years?

Assessing your success

35

- ❖ Use *Strategy Record* to view your progress.
- ❖ See level. Click **Quit** (you can return to the game).
- ❖ The levels are based on:
 - Total Bennies earned:
 - Player progress to Early/Routine Use in 3 years.

- Apprentice
- Novice
- Manager
- Leader
- Expert
- Change Master

Break!

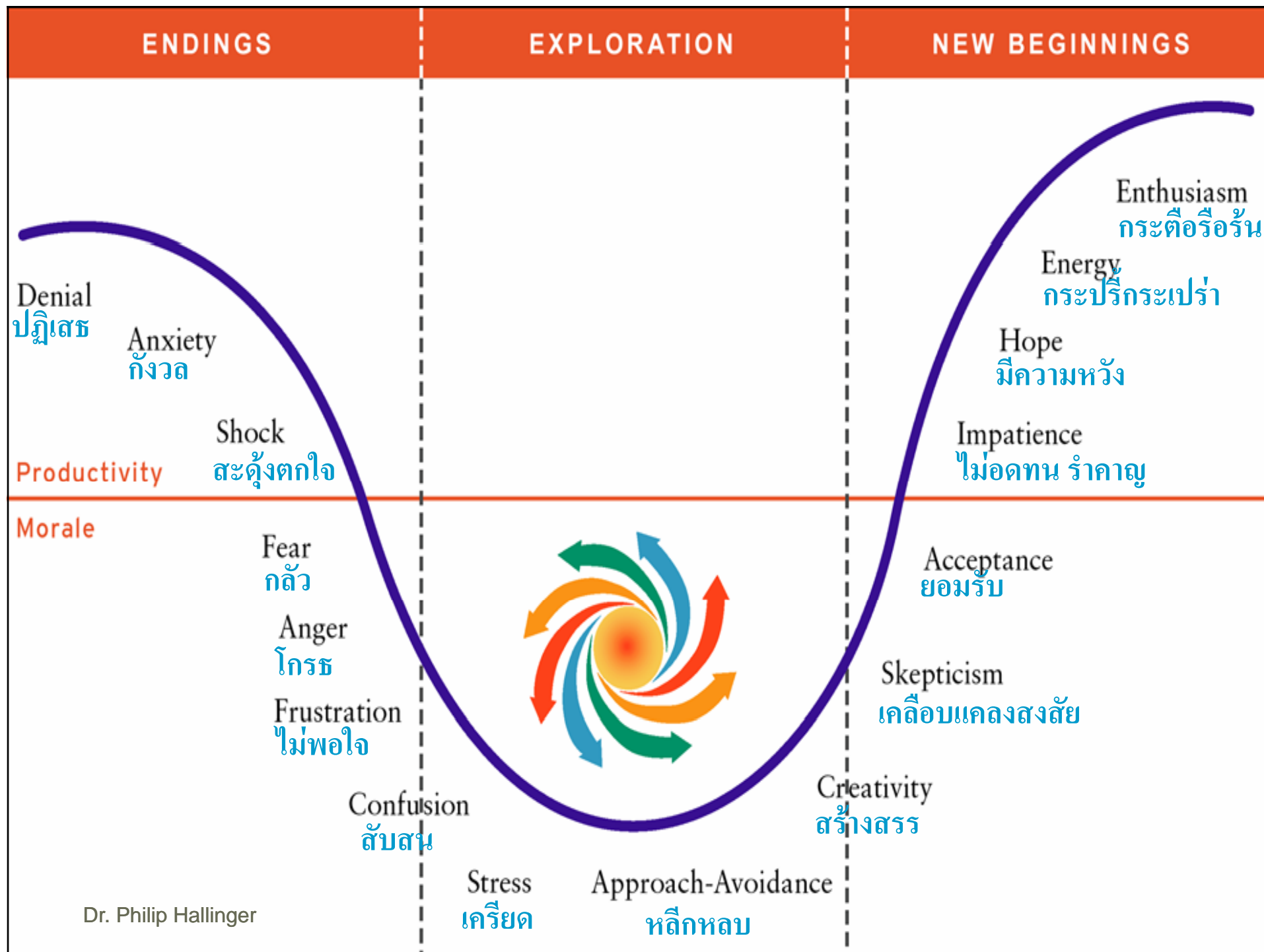


“Excuse me, but I need to check back to my office.”



Adapting to Change





Change Adopter Types

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- Innovators
- Leaders
- Majority
- Resistors



Innovators

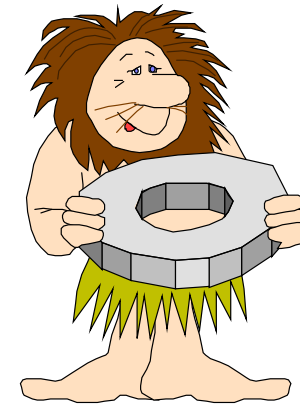
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Change Characteristics:

- Like change, most change
- Small % of people
- *Outside the mainstream*
- Provide energy for change

Change Strategies:

- Involve them early
- Share your vision of change
- Include them in activities
- Use their energy
- Talk to them



Leaders

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Change Characteristics:

- Open to change, but they consider the effects first
- Small % of people
- Not always administrators
- Provide direction for change

Change Strategies:

- Talk to them early
- Seek input/opinions
- Give them responsibility
- Keep talking to them



Majority

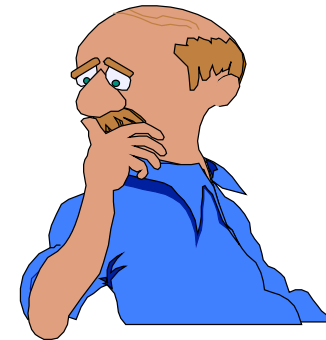
42

Change Characteristics:

- Cautious about change
- Large % of people
- Look to their leaders & managers first
- Will move with the group
- Concerned about ability

Change Strategies:

- Explain the rationale
- Understand why they resist
- Get leaders' & managers' support first
- Involve in group activities
- Support efforts to change
- Use pressure as needed



The Resistors

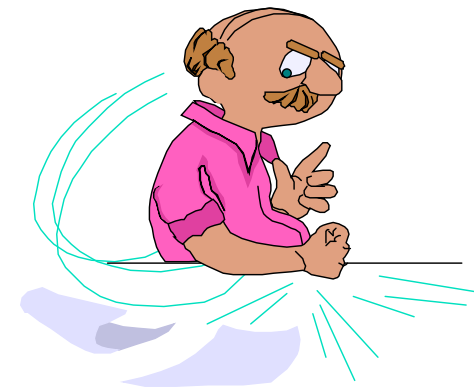
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Change Characteristics:

- Resist almost any change
- Small % of people
- Are not leaders
- Others do not follow them

Change Strategies:

- Resistance is natural; theirs is too much
- Talk to them; assess response
- Don't let them waste energy
- Involve selectively in groups
- Don't confuse with other types



Adopter Types at Your Workplace

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Innovators

- ❖ _____
- ❖ _____
- ❖ _____
- ❖ _____
- ❖ _____
- ❖ _____

Leaders

- ❖ _____
- ❖ _____
- ❖ _____
- ❖ _____
- ❖ _____
- ❖ _____

Majority

- ❖ _____
- ❖ _____
- ❖ _____
- ❖ _____
- ❖ _____
- ❖ _____
- ❖ _____

Resistors

- ❖ _____
- ❖ _____
- ❖ _____
- ❖ _____
- ❖ _____
- ❖ _____

Practical Strategies to Support Change



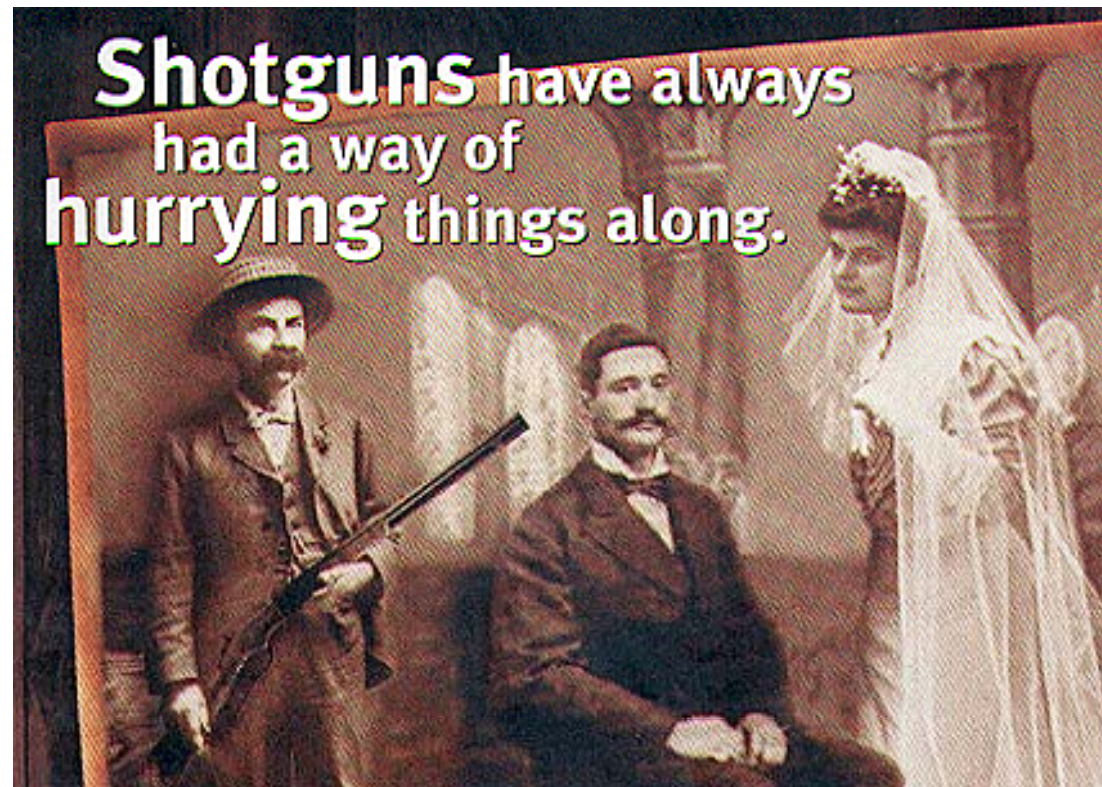
Eight Stage Process in Change

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1. Establish a sense of urgency
2. Create a guiding team.
3. Develop a vision and strategy.
4. Communicate the vision.
5. Empower broad-based action.
6. Create short-term wins.
7. Make more change.
8. Make the change stick.

Kotter, J. (1996). *Leading Change*. Boston, MA: Harvard Business School Press.

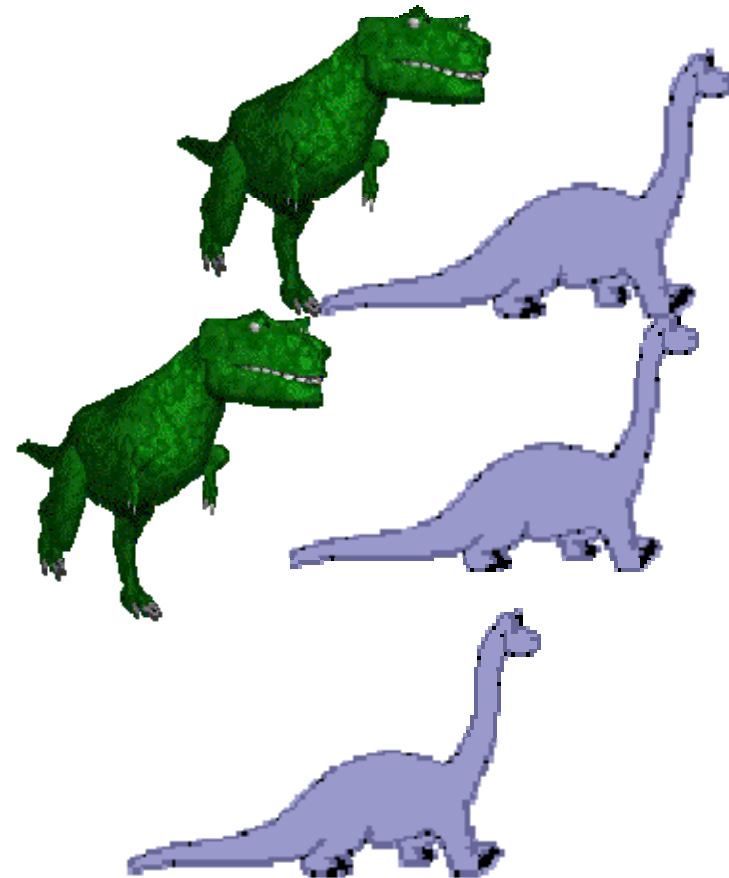
Why are people and organizations complacent?



“Shotgun Wedding”

Establish a Sense of Urgency

- Change requires cooperation, sacrifice, initiative and faith.
- In an organization of 100, at least 25 must be willing to give extra time & effort. In one of 10,000 the same may be required of 1,500
- Lacking urgency, few will join a coalition or sacrifice for change.



Establish a Sense of Urgency



- Create a crisis
- Eliminate obvious excess
- Set such high productivity targets that they can't be reached in usual ways
- Stop measuring dept. performance goals on narrow criteria
- Send more data on performance to staff

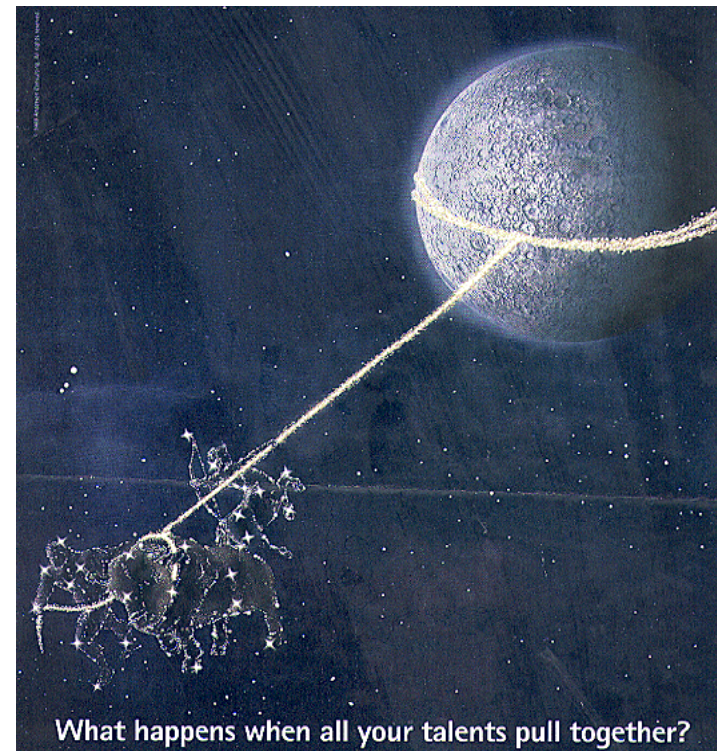
- Insist that staff talk to dissatisfied customers, suppliers
- Put more info on problems into communications
- Provide info on new opportunities and rewards for company
- Use comparative performance data

Kotter, J. (1996). *Leading Change*. Boston, MA: Harvard Business School Press, p. 44.)

Create a Guiding Team

50

“Because major change is so difficult to accomplish, a powerful force is required to sustain the process. No one individual. . . is ever able to do everything that is needed to bring about real change in organizations. A strong coalition is needed -- one with the right composition, influence, trust, and shared goal.”



Kotter, J. (1996). *Leading Change*. Boston, MA: Harvard Business School Press, p. 52.)

Create a Guiding Team

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- Find the Right People
 - Position power
 - Expertise
 - Credibility
 - Leadership
 - Management
- Create Trust
- Develop a Common Goal



The Limits of Authority

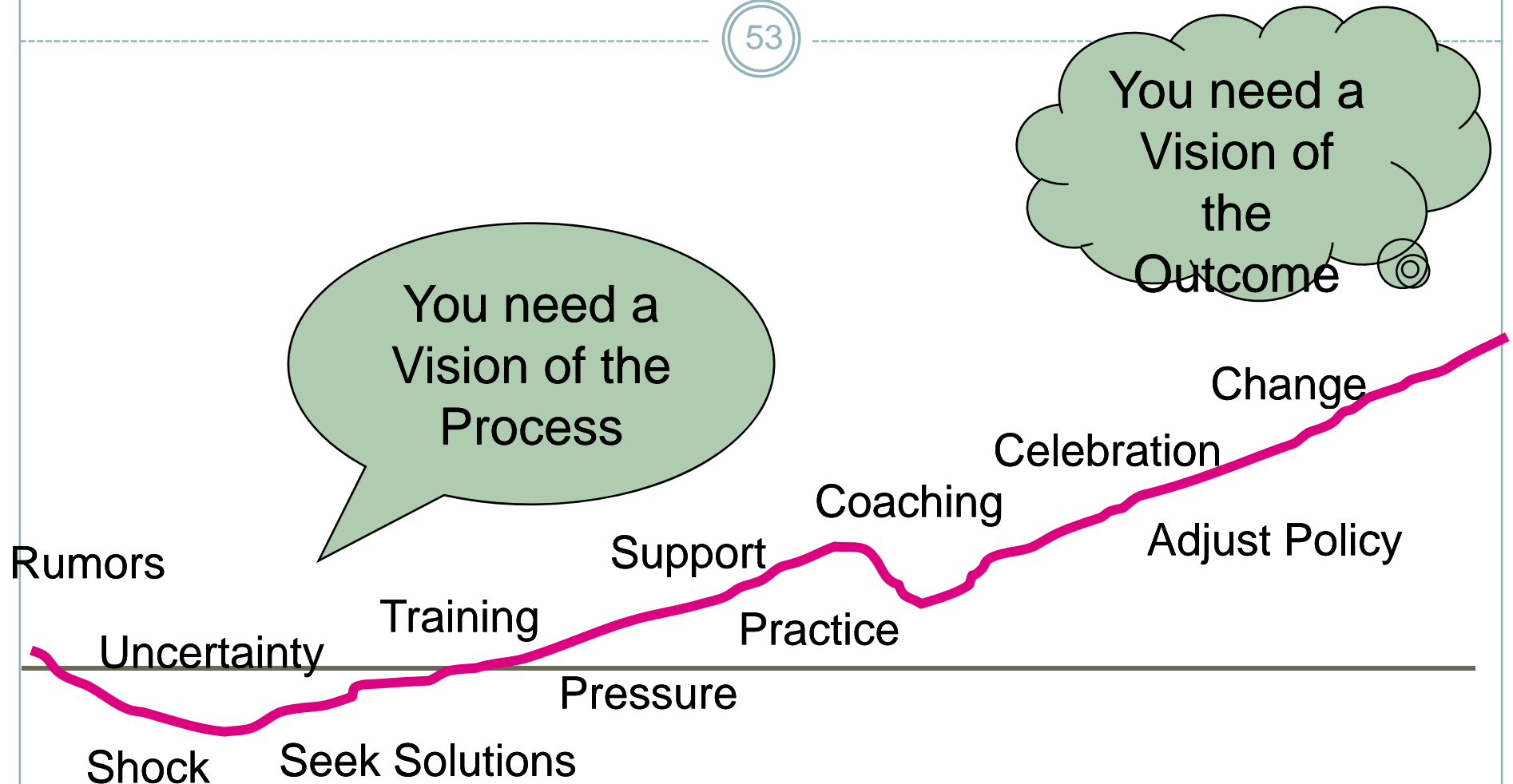
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“Without the power of kings, authority alone is unlikely to break through the resistance to change. People will ignore you or pretend to cooperate while doing everything possible to undermine your efforts.”



The Journey of Change is Long

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Set a Clear Vision for the Change



- “A vision is a picture of the future that also offers a sense of why people should try to create that future.”
- A vision:
 - Clarifies direction
 - Motivates people
 - Coordinates actions



Desert or Oilfield?

Effective Visions of Change

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- Ambitious enough to force people out of their routines
- Aim at offering better services at lower costs
- Take advantage of fundamental trends (e.g., global, technology)
- Shaped by “guiding coalition”



Communicating the Vision:

Keep it Simple



- Simplicity
- Multiple forums
- Repetition
- Lead by example
- 2-way communication

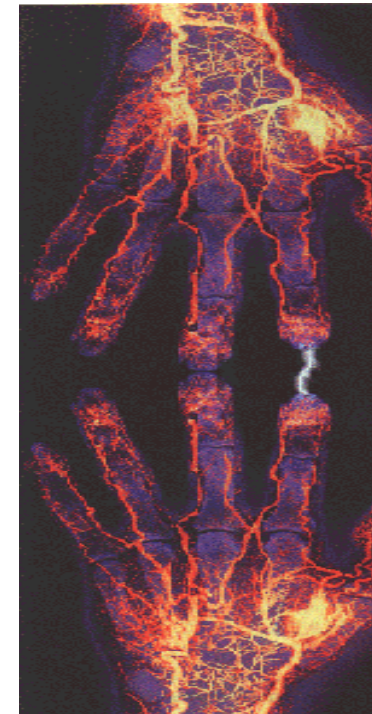


Kotter, J. (1996). *Leading Change*. Boston, MA: Harvard Business School Press, p. 90.)

Empower People to Change

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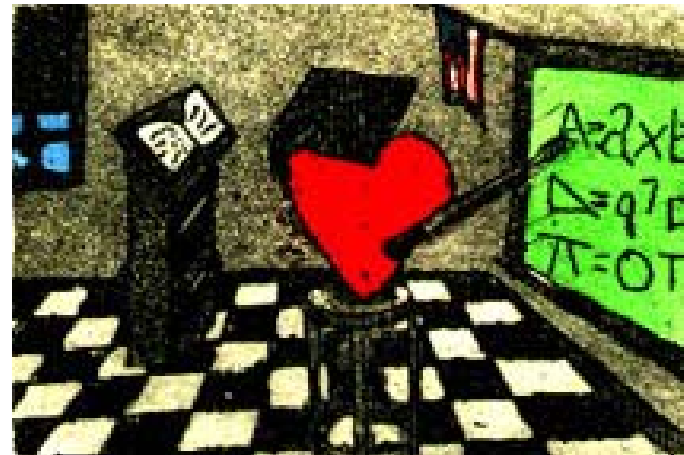
- Communicate a sensible vision to staff
- Provide training
- Align information and personnel systems to your vision
- Align policies and authority to vision
- Confront supervisors who block change

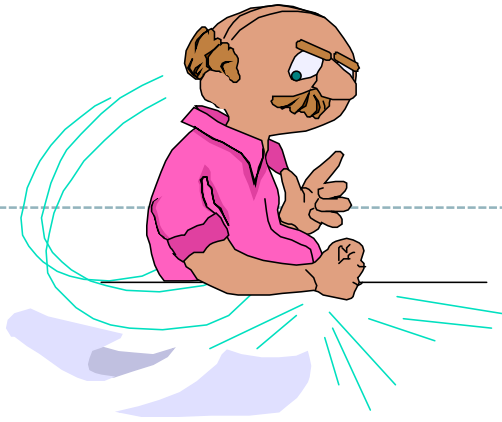


Motivate People to Change

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- Understand their values
- Create mutual goals
- Link rewards to their values and your mutual goals





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Use
both pressure
and support
to make change
happen.

“You get a lot more done with
a kind word and a gun, than
with a kind word alone.”

Al Capone



Leadership: Geese or Buffaloes?

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Flight of the Buffalo
Learning to Let Others Lead



The Role of Short Term Wins

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- Provide evidence that sacrifices are worth it.
- Reward change agents with a pat on the back.
- Help fine-tune the vision and strategies.
- Undermine cynics and resisters.
- Keep bosses on board.
- Build momentum.

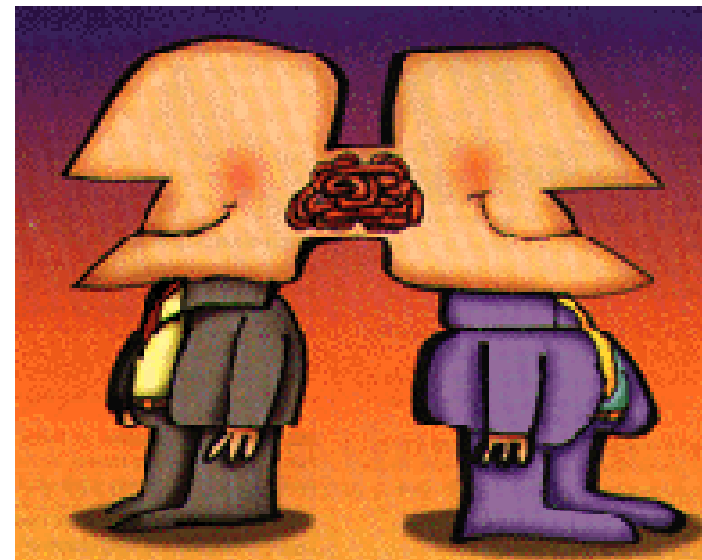


Kotter, J. (1996). *Leading Change*. Boston, MA: Harvard Business School Press, p. 123.)

Make more change



- More change, not less as people's needs and understanding change
- More help as new people are hired and promoted
- Leadership from senior management -- “urgency”
- Project management and leadership below the top
- Reduce conflicting policies and practices



Make the Change Stick

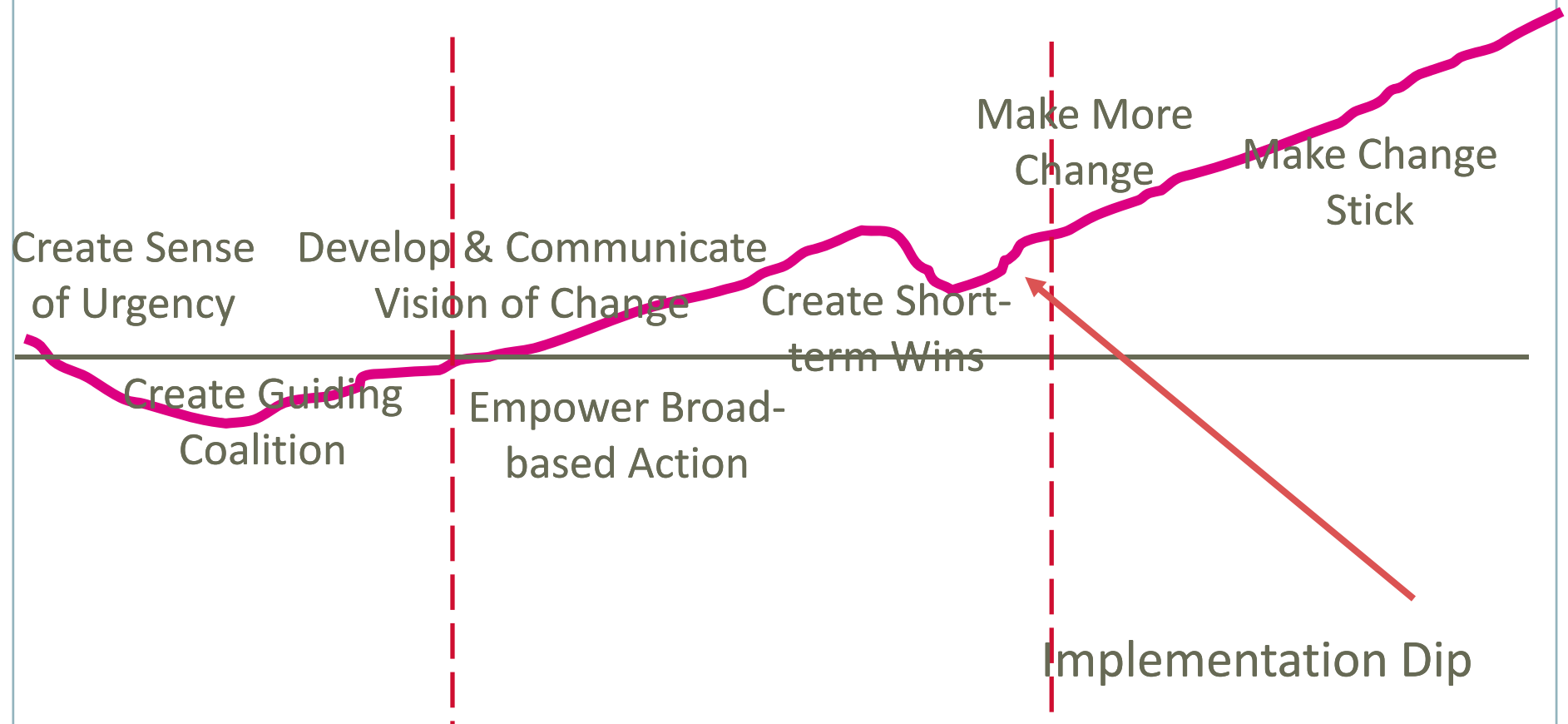


- Cultural change occurs only after results are clear
- Requires a lot of talk before people admit change helped
- May require staff turnover
- Promotion and succession are key



The Change Sequence

64



Adapt your strategy to meet people's needs.

65



To help something grow, you must first have an understanding of what it wants to become.

Change involves letting go of the past, while gaining new skills and confidence.

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“Everyone wants to go to heaven, but nobody wants to die.”

Joe Louis



Break



Change Factors in Your Organization

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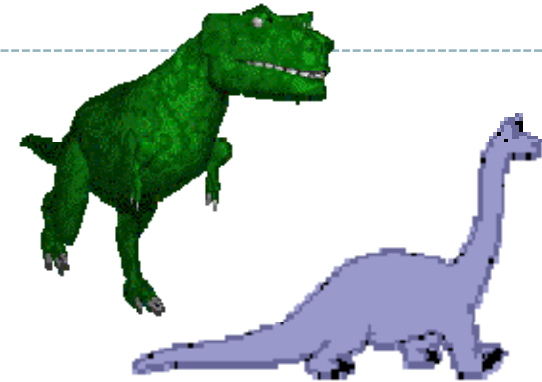
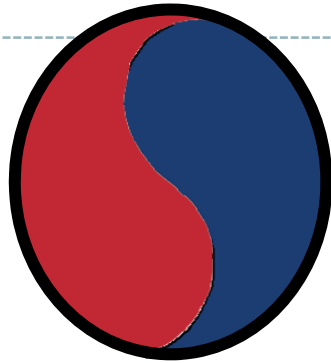
Personal/People

- Openness to change
- Personalities
- Adopter Types
- Expertise
- Past experience with change

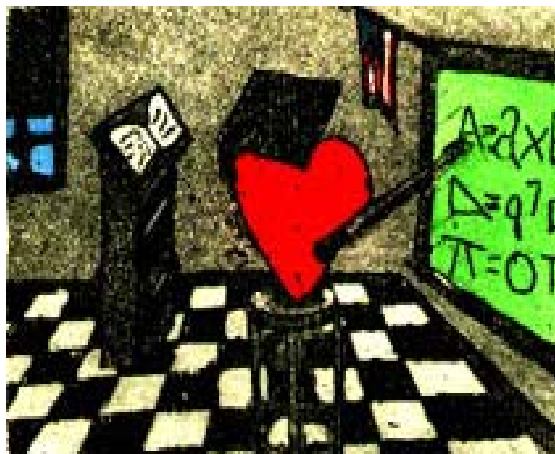
Organizational

- Size
- Structure
- Communication
- Leadership
- Regulation/Bureaucracy
- Corporate Culture
- Union
- External Pressures
- Politics

Summary Lessons



Thank You



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