

Change Management: Shifting Peoples' Practices, Values, and Beliefs

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Preamble

Some change initiatives succeed. Many more do not. The circumstances in which change initiatives are launched have significant impact on success. So, too, does the quality of leadership that is brought to the change effort, both before the change effort is launched and as the change effort progresses.

Circumstances include the context into which the change initiative is launched, the process followed to implement the change, and the content of change messages and actions. And let's not forget the wide variation of personalities and preferences among those being asked to change their practices/behaviors.

This paper first presents frameworks that may be used to plan a change effort or to diagnose change progress at a given moment in the journey. Following the frameworks, we'll consider an instance of change that mid-level leaders commonly face. Suggestions for improving the change impact and results will conclude this paper.

Frameworks for Action--Planning, Diagnosing, and Implementing Change Initiatives

Practices, Values, Beliefs

Let's begin with the title of this session. The title includes the phrase "...Shifting Peoples' Practices, Values, and Beliefs". Let's examine each of the three items we're being asked to shift.

Practices may be thought of as behaviors. What are we asking people to do differently?

Values are a subset of beliefs worthy of special consideration. The best definition I know of values is that "values are beliefs held as truths". Values are not challenged by their human owner. The person is convinced of their truth. We will want to distinguish, however, between what a person says about a value and what he/she does.

A person may say that truthfulness is a strong personal value. "The truth must be told in each instance," he/she might say. This is called "espoused behavior" because the person is declaring it rather than displaying it at the moment.

We should watch what the person does. This is called “behavior in practice”. Will the same person who espoused (declared) her/his dedication to truthfulness now try to sell his/her car, which has unseen repaired accident damage, declaring the car has never been in an accident? Is the person honest in all dealings with others, even those whom she/he doesn’t like?

Beliefs are a broader category. Like values, they represent what people believe to be true now. But the beliefs not held as truths (values) are subject to change. Belief holds a special place in change management. Shifting some beliefs must occur successfully for an employee group, an investor group, a customer group to regard our enterprise in a new way and support the changes.

At this point, let’s state the first two principles of successful change management:

- Successful Change Principle #1 – Appeal to values.
- Successful Change Principle #2-- Use actions to shift belief.

We shall return to these principles shortly.

Content, Process, Context

Many change efforts begin with senior leaders declaring the content of the coming change. Less attention is paid to the process that will be followed. It is as though there is an imbedded assumption that people will behave differently out of obedience to hierarchy. Nothing could be further from the truth.

For change to be successful, it must reorder the three words. The effort begins with “context”. Context questions that must be answered before anything is declared include:

- What is the nature of the existing relationship between leaders and followers?

- Have there been previous attempts to change practices before with this group of followers? Were these efforts successful? Have both leaders and followers learned the skills of successful change?
- What are the compelling reasons to change practices now? How are these reasons to be communicated? Are these reasons consistent with values? How do these reasons interact with the broader beliefs of the organization? What broader beliefs must change?

Process comes next. Some of its key questions are:

- Which subordinates will we include in the inquiry to find the best practice changes?
- How will we first engage this group?
- What is the role of this “change team” of subordinates in influencing their peers?
- What practice changes will likely change organization performance?
- How will we present the case for change of both beliefs and change of practices?

In his superb book, Leading With Questions, Dr. Michael Marquardt shows us the power to “ask our way to success”. An online bookseller like Amazon can lead you his powerful work.

I have worked on the payroll or as a consultant with more than 30 change initiatives in large and smaller organizations that range from oil and gas IOC’s and NOC’s, aerospace, high tech, consumer products, financial services, steel, automotive, medicine, government, universities, and charities. Operations, IT, sales, finance, strategy, logistics, manufacturing, and especially senior leadership (including boards of directors) have all been represented in these experiences. I have never seen a successful change effort that didn’t spend more time with questions like those above than was spent trying to “sell” the answers to those questions.

Involvement with the questions—their framing, then the pursuit of their answers—must involve those led as well as those leading. Successful change

initiatives must involve those being led so that they may change some of their beliefs and influence their peers to do likewise.

The content of the change will come last in a well-executed change initiative. Wise, successful change leaders involve those who will change their practices in the creation of this change content, and involve them in its communication.

- Successful Change Principle #3—Use questions to involve those being led in the creation of the change process and the creation of the changed practices that will result.

Change Elements

Leadership has been defined as “Getting others to want to do what you (the leader) sees needs to get done”. Leadership requires both motivation (...others want to do...) and vision (...what you see needs to get done...). Let’s organize these and more elements for successful change leadership.

Effective change consists of:

1. Dissatisfaction with present circumstances and especially results
2. A vision of the change to be made and its benefits
3. Practical first steps
4. Belief that change is possible

These four items do not occur in linearly, though starting with #1 is wise. Nor are the four items necessarily built by leadership. Use of a representative change team can be a powerful way to build employee ownership in coming changes. This is because those affected have a voice, a stake in what happens to them.

And the four items, taken together, must promise benefits that exceed the emotional cost of change. If the benefits outweigh the emotional cost, the change

will occur successfully. Motivation and vision are the keys to communicating benefits of making the changes successfully.

Do people like to change? I ask audiences this question frequently. Almost always the first answer is “no”. But then how do we explain boredom? **PEOPLE WILL CHANGE IF THE BENEFITS OUTWEIGH THE PAIN OF DOING SO.** Often those benefits require learning new skills. Who has time to learn new software? But once learned the productivity increase can be well worth the learning. Not wanting to change, such as resisting learning new software, illustrates the emotional cost of change. The resulting productivity increase represents the benefits.

Timing

I believe that the orientation to the use of time is one of the most powerful tools for successful change. Timing is also one of the most frequently mishandled change dimensions.

Move too slowly, and lack of urgency dissipates energy, allowing the arguments for the status quo to resurface. Move too quickly, and increased resistance is practically guaranteed.

Large bureaucracies tend toward change failure due to slowness. Independent companies, overrepresented by American companies (here I choose to indict some of my countrymen!), get their change failures from impatience AND by not starting with context as a result of that impatience.

An Example of Successful Change

Kathy is one of the best leaders I know. She was appointed as a Regional Vice President of the largest publicly traded personal lines insurer in the U.S. It was her first officer position.

Her first action was to meet with as many people as possible. She asked them about their work. She paid attention to what was missing. Enthusiasm was the missing element that worried her most. She met her senior team. Same issue.

Kathy had worked for me when I led strategic planning for this company. She called me to ask if I'd be her “thought partner” on this change initiative. She

wisely realized she needed to talk through what she saw and what she might do. She also was clear that it was her responsibility.

Context—Kathy's predecessor had let the region slip. He reported numbers to higher management, often with excuses for why there was less than full success. The senior staff became used to "another year like last year".

Kathy did not do what new leaders often did in our company. She did not ask HR to find new employment for her direct reports, even though she sensed that all had accepted low standards. She would motivate them toward what they wanted. She felt she could get them to believe in the benefits of change.

One of Kathy's direct reports ran the claim operation. His speaking was very often in favor of the status quo. Others avoided open discussion with him in meetings. He was a classic "know it all".

Kathy was one of 28 regional vice presidents. The company insisted that all senior teams have exactly the same positions. In spite of this, Kathy got approval to create a new senior position for customer care. Note Kathy's courage in the face of strong expectations. She told her senior team about the new position.

Kathy then approached her most negative subordinate, the head of claims, and asked him to take the new position. He refused. Kathy told him that the organization would benefit from his customer care contributions. He felt valued in a new way.

The head of claims became the head of customer care because Kathy convinced him that caring for customers would use his experience IN NEW WAYS. She appealed to his personal value of wanting to work, and his desire to be seen as more positive.

Let's now look at the larger scope of the change. Kathy's organization was one of 28 regions in the company. Every year the regional success in life insurance production was posted by the company. Every one of the last four years Kathy's predecessor had reported performance that ranked them #27 out of 28. Others were apathetic. Kathy saw opportunity.

Kathy went out to visit with front line employees and their supervisors. She found a desire to be seen as successful. "Winners have more fun", Kathy thought.

Kathy's trips to the field were used both to find points of dissatisfaction, and to increase the discomfort with the status quo! After finding the life insurance performance issue, she'd carry that discussion to future meetings. The day an agent said, "I doubt any of us are proud of 27 out of 28. I know I'm not" was the day Kathy made her decision. The region would move the numbers.

Kathy selected all 7 of her direct reports to be on what would become famously known as the "Change Team". To this she added 7 more people, taken from among front line positions and from among subordinate leaders. This 15 person team (including Kathy), fit in the 15 passenger van provided by the company!

Importantly, the change team members chosen from lower levels of the organization were equal in stature to the senior leaders. Kathy was flattening the culture. Equally important, the change team jobs were FULL TIME! Have you, the reader, ever asked people to champion a change while still putting in the extraordinary full time hours on the original job? Part time change teams should be at least a yellow flag of caution.

Kathy took the change team to the field. Members took turns leading the meetings with claim representatives, underwriters, and agents, plus their first line supervisors. They asked people what would help them succeed. They learned to capture questions and answers.

Perhaps the most important changes happened in the van. Junior staff learned about business issues, vision, and motivation. Senior staff learned about ideas, change, front line issues, and perhaps most importantly what motivates people facing today's markets.

When Kathy's Change Team announced in March that the goal for the year was to end the year in the top five of 28 regions in life insurance production, most of the 1500 employees in the region thought the goal was impossible.

But the change was under way. The key tools were questions, the answers to which led to ideas that were actionable.

Applying Frameworks

As the VP, Kathy looked to context to guide what was her developing vision. But she didn't impose the vision. She led others to dissatisfaction with the status quo. They were already somewhat dissatisfied. She helped them use their own words to give voice to the dissatisfaction.

Kathy was patient. She did lots of things early that let others discover new questions, new skills. And she had the change team announce new goals.

The change team carried success stories from one part of the region, increasing belief that the change was possible. We could say that Kathy worked mostly on dissatisfaction with status quo and belief. She let the change team and the employees clarify the vision and take practical first steps.

By starting with context, developing the process, then adding content from the group being led, Kathy used all the framework elements to lead the effort.

Contrast

Please allow me to guess at a less successful change that you've perhaps experienced. As a leader in the middle, you weren't asked to provide change input. The top of the hierarchy announced a change. Let's say it was a reorganized reporting structure. People felt at risk. Who will get the new jobs? Who will be left without a job? Fear led to less support for the change, not more. There was no change team, no effective input mechanism from front line employees.

As a mid-level leader, you were left with no context to explain the change that was announced. You have no data, no answer to "why". Politics will be the default conclusion. In fact, rumors will fly, because when people don't know the compelling reason why something is done, they make up possible interpretations. Rumors come from misstated possible interpretations, and are an appeal for better information. But rumors are rarely aligned with the change goals.

Kathy used her change team to permit rumors to be brought into meetings. Change team members would ask, “What are you being asked?” Later in the process they asked, “What are you hearing?” Bringing rumors into the formal meetings gives leaders an idea of what they’ll be asked.

One change team member made a game of rumors in one meeting. He asked simply, “Who can give us the most outrageous rumor you’ve heard?!” That question got the group to move beyond only speaking the more “acceptable” rumors. Great thinking on one’s feet.

The appropriate response to any question generates both hope and reality. “Will there be a reduction in force” should be met with the truth. I heard a Senior Vice President in the aerospace industry say, six months into the current economic downturn, “There are no plans at this time to reduce our headcount. This is because our orders are not being cancelled. The senior team gets order updates each week. There may be reductions if order cancellations increase or rate of new orders fall. But that is always true.”

This same SVP went on to say, “The rumor about reduction in force likely started because the senior team ran a ‘what if’ scenario two weeks ago. We needed to anticipate at what levels and rates of order changes we would need to implement a force reduction. We’re not there yet.” Hope and realism must be blended to generate the desired result.

- Change principle #4—“To increase the risk-taking that change requires, increase emotional safety”.

Declared changes catch people off guard. They feel out of control. Humans must feel some control in most situations to be comfortable enough to cooperate in new ways. Effective, open communications fill this gap.

Epilogue

We left Kathy hanging! What happened? At the end of the year, she had the change team announce the results. The region placed second nationally. The goal had been top 5. 1500 people felt like winners. The team proved the old saying, “There is no limit to what can be accomplished if we don’t care who gets credit”.

The following year employees wanted goals for three lines of insurance, not just life insurance! Success leads to the desire for more success.

The company moved Kathy to a struggling region before she could build on this first success. Her senior bosses were actually too impatient for her to work her magic again where they felt it was needed more. Kathy succeeded there, and was again moved too quickly to a third region.

Kathy's career goal was to move from the field to a corporate communications role. This career path was denied. She left the company to start her own corporate communications consultancy. Visit her at www.kathylynn.net

In Summary

Begin with context. Move to process you'll follow. The process must value questions more than what leaders think they know. Pay close attention to how time is used.

If change is imposed on you, try to anticipate that something may happen in this regard. Be ready to invite rumors into meetings so you can let some damaging energy dissipate as you answer with both hope and realism.

Leaders survive and even prosper during imposed change if they anticipate, practice, have better questions than answers, and understand how successful change is conducted.

When hastily imposed change goes poorly (and it will), the four elements listed on page 5 of this paper can be used diagnostically. Little buy in? Item one was not fully developed. Is the vision unclear? Questions weren't the primary tool for both involvement and building the change elements. Is there too little action? Is there confusion on what to do next? Practical first steps weren't shaped to build people's confidence in their success. Do you find skepticism or even cynicism? The first three items (listed on page 5) are underdeveloped, leading to lack of belief that change is possible.

Poorly started change can be overcome. Reengineering a failing change effort nearly always takes more time than it would have to build an effective change from the start. It also nearly always costs more to retrofit. Finally, the degree of enthusiastic participation and benefit resulting will be reduced by change started poorly.

Some personal advice—Invest in your change skills through study, cases, and practice.

Additional Reading

In this article I mentioned Leading With Questions, by Michael Marquardt, 2007.

Any book or Harvard Business Review article by Dr. John Kotter will increase your arsenal of change skills. I especially like Leading Change. Dr. Kotter has written on why change efforts fail as well.

Rosabeth Moss Kanter, also of Harvard Business School, wrote The Change Masters in 1982. The examples are powerful. The book is still available for purchase.

About the Author

Ken is a consultant, primarily in international oil and gas, in business strategy, and leadership development. He serves regularly as a facilitator for GetEnergy, Ltd of London. Ken serves as business skills and behavioral skills faculty for EMBA programs in Europe and the US. Ken designs and delivers leadership assessments, in-company learning sessions. Ken frequently serves as a conference speaker.

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