Most organisations do not have a good track record of managing change. Where and why do they fail?

Research in organisational development suggests that 90 per cent of culture change initiatives fail in achieving their objectives. Culture change is not the only victim in terms of installing required complex changes. The success rate of new organisations blossoming from merger and acquisition activity is also pretty dismal. Research indicates that as many as 56-70 per cent of these ventures fail to achieve the objectives for which they were originally designed. In particular, the...
major reason why they fail is an inability to create new business culture from the existing organisations. These depressing figures reflect my own experience in many companies, which is why I apply a powerful business model to deal with the ‘resistance’ to change that is so prevalent. When pursuing a ‘change audit’ I often hear that ‘customer focused strategies’ did not create the desired bottom line results, or winning of new customers, and that restructuring and re-engineering created more confusion and bureaucracy than it was supposed to replace. In audits and focus groups I hear that culture change takes years rather than months and never really permeates the fabric of the organisation.

You may well have witnessed change initiatives being introduced into your work organisations with little positive impact all at once on performance, operating efficiencies and results. Months or even years later we find that the change was less than successful and the organisation is still suffering from the same problems and demonstrates the same weaknesses in the marketplace. At the most extreme, the organisation is bordering on terminal decline. Change in large institutions such as the NHS, the civil service, quangos and large conglomerates is often not possible because of their inability to manage change well. And yet change will not go away. Organisations need to develop an attitude and methodology to master and drive change. A failure to do so will result in poorer performance and a declining morale and motivation in its people - and disappointment for its customers.

Resistance to change
Change takes as long as those who are driving it want it to take. If the supporters (the hosts or sponsors of change) are really committed to the process of working through the resistance to change and building a strategy to overcome it, the wall of resistance could be ‘knocked down’ and the benefits of change realised quickly.

A major problem in driving change in organisations is dealing with and managing the resistance you will encounter. Whether the initiative is focused upon coaching a new leadership culture, or promoting new behaviours in customer relationship management, the problems encountered will be similar. It is unusual for any change not to attract some resistance. Even with foresight, pre-planning and all the apparent logic behind the need to change, you should expect some resistance as a norm. Recognise and welcome it as a healthy response and an opportunity to openly debate possibilities and treat resistance as a powerful ally in facilitating the learning process.

The past does not equal the future but this is the reality in too many organisations.

The nature of resistance is that, generally speaking, we do not experience it actively and provocatively. Its presence is often displayed covertly, even passively. If resistance were displayed in a very forthright manner we could deal with it logically, the same way we would deal with objections. But resistance often shows up in different and unexpected ways. You may have many staff attending a change project who are making all the right ‘approving noises’ but, underneath this exterior, other forces, motivations, doubts and anxieties are at work.

When we think of resistance, we may think of a force acting against us with a less than positive intent. Resistance persists for a variety of reasons, only one of which is negative in its intent. Reframing the concept of resistance as ‘natural’ is a good way of looking at it. Consider ‘resistance’ as a form for positive change. If you can predict ‘how’ people will resist the

Recognise resistance and welcome it as a healthy response.

flow of your good ideas from theory to practice, then you may be in the process of formulating a blueprint for change and learning for the future.

Sell the benefits
When dealing with someone who resists your approach, first elicit his or her reason for doing so. Then diligently list these objections. Consider even the apparently illogical arguments, because that is where false assumptions, expectations and the company grapevine have been at work in opposing the change. Gossip, assumptions and fear spark the grapevine to create unrealistic scenarios that, when tackled head on, can be shown to have no substance. Letting the grapevine persist in creating negative rumours without challenge is tantamount to supporting it, so take action.

Persuasion is the mode for change
The problem with this approach to ‘objection handing’ is that working out complex plans to counter potential arguments or viewpoints is time and resource hungry. However, failing to do so leaves you in a weak position and in danger of failing to sell your message. This is where the role of coach or facilitator comes into play.

The really effective change maker will rely on a barrage of influencing strategies and techniques, not to ‘win the war’ or argument, but to help others, learners and participants, to reframe things to see beyond their relatively negative viewpoint. The coach opens up opportunities for perceiving possibilities for those undertaking the change.

How we resist change personally
Focusing upon personal change helps us to understand the bigger picture of organisational resistance to change. Forget about the complexity of organisational change for just a second. Focus on personal change and how you deal with it as an individual. Consider the resistance we all encounter when we try to change something about ourselves, whether it is lifestyle, changing our career or direction, moving jobs, starting or ending a relationship. Consider the relative lack of success of new year resolutions as an indication of how each of us resists change. It is not easy to deal with the dynamics of personal change because it requires us to drop a familiar way of behaving and taking
on a new set of behaviours or habits. The ‘pain’ of leaving behind our old self counters the ‘pleasure’ of changing. The ‘pain’ of rejecting old habits, that may have given us enormous satisfaction in the past, may not be compensated by the pleasure of changing to new habits. Some people just find it too hard, which is why health and fitness resolutions fail and is definitely the reason why most diets don’t work.

Using personal examples of experiencing difficulty or resistance to change is a very powerful process in helping understand why others, in the context of organisational change, find the transition so difficult.

Organisational change

Recognising that resistance is natural helps us all counter the resistance we may face when working through change in our businesses. A major element to consider in organisational resistance, is countering those who see resistance only as a negative response to change. I prefer to see it as the normal ‘default’ response. In the absence of really positive benefits accruing to the organisation from the proposed ‘changes’, the ‘default’ response of ‘resistance’ is reasonable.

People need time to think things through. Much of their thinking and feeling is based on their personal interpretation of ‘history’ and how past changes have impacted on them and others in the past. They will compare the relative success and failure of other initiatives they have experienced, and make their own decisions on any current initiatives based on those experiences. Their assessment is based on their perception of reality. If you are instrumental in driving change, you have to influence and persuade them otherwise. If you are currently, or ever have been, the main agent for change you know how difficult this can be. We have to focus on dealing with objections and selling the benefits of change.

It is useful when compiling our lists of ‘objections’ to the change, to also outline how we will respond with tangible ‘benefits’ that will accrue due to the change. Most change programmes could benefit from better public relations. In my experience, most focus on the details of what is ‘about to happen’ and when the change will be ‘installed’, instead of selling the benefits.

Mergers & acquisitions: Telling the truth

Some time ago I was working with a client in financial services who had acquired another business and we were in the process of post acquisition integration. We were making every attempt to bring the two businesses together. A major problem arose when we found several management groups from the acquired business ‘pouring oil on troubled waters’ within their own divisions. They clearly had little idea how the integration would progress, but were busily telling people that jobs would not change, there would be no redundancies, etc. They were laying the foundations for major conflicts. In any situation where changes are breaking faster than a news story on television, managers cannot afford to develop unrealistic ‘feel good’ communications that have no substance. It is much better telling people that decisions still have to be made rather than invent untruths. This behaviour is clearly evident in many organisations undergoing change, even though it is much better to be honest and admit “we don’t have all the answers just yet, but when we do we’ll brief you on options.”

It is much better treating people as adults, rather than adopting feel good tactics for the short term simply because it makes management more comfortable.

Resistance

In order to help transition we must examine the reasons why people resist change. Let us explore just some of these symptoms and suggest possible strategies to minimise resistance to win people over to viewing change as learning.

The first reaction when people hear of an imminent change is to personalise it to self and ask, “How is this going to affect me?” Unsubstantiated rumours, which are neither confirmed nor rejected, add to a situation where the worst possible scenario is perceived. Simply by talking...
with people about the likely outcomes and benefits that will accrue from the change, in tangible terms, is sufficient to ease people into a more 'accepting' emotional state.

This indicates we can learn a great deal about how we communicate with people and the messages we send to them. We must remember, "communication is what is received – not what is being sent." We need to communicate the same message to various constituencies who have different needs and concerns, in a consistent manner. We have to develop sophisticated communication strategies and processes to ensure that we can communicate specifically to hit the 'hot buttons' of different groupings within the business, dealing honestly with the issues.

**It may mean more work**

Initially, it most certainly will, so do not minimise this. Companies do not become world leaders and renowned for their performance without a great deal of expenditure of effort from their staff. There may be times when the changes will appear to be backsliding. For every two steps forward, you may slide back two and a half. If organisational change was easy, organisations would have committed to it years ago, so don’t build up unrealistic expectations. Energy and effort has to be expended to make things better in the long run.

When change comes about there may be a perceived loss of control. Prior to changes, people perceive they have some security in what they do and how they manage their jobs and their affairs. Change threatens all that. Change does mean doing things differently, creating new ways of working, which will have to be learned and applied. It is to be expected and not unusual that some people will be concerned, as most of us seek security and predictability in our work. Very few of us crave uncertainty and chaos.

When driving change, what we need to do is to specify what changes will take place and how this will impact upon work and staff. Even if we don’t know the full extent of changes over time, or have all the answers, we should not hold back from communicating. By doing this in advance of any meeting, we can help others take control of the change by explaining how the transition can become seamless and a positive challenge. However, we also need to be candid, and if ‘bad news’ has to be delivered, we should be honest and express the reality of the situation. It is pointless making promises that you cannot deliver.

**The past does not equal the future**

Prejudice, resentment and misgiving about others in the same company are historical and yet still live on in too many organisations. The past does not equal the future but this appears to be the reality in too many organisations.

As promoters of culture, what concerns us is that there is frequently
Communicating change effectively

Key factors to consider when planning, implementing and evaluating change.

The underlying factor here is effective communication. Without this, your change strategy stands a good chance of emulating the high percentage of those that fail. It is crucial to recognise that altering behaviour is a long-term objective, not something that can be forced upon employees overnight. Change strategies can only be embraced by staff if they are given a context for the change, and if they understand the need for change.

You must know exactly what results you want to achieve before you introduce the change initiative. Measurement is critical. How will you know whether change has taken place and to what extent? Think about the day to day changes. These will show whether the wider change initiative has succeeded. What new behaviours will your employees demonstrate?

Your audience cannot be viewed as one homogenous mass; individuals at different levels and within different roles within the organisation will react to change in various ways. It is crucial to segment the audience, and communicate with each segment appropriately. This can extend to your use of communication channels: these must be chosen carefully to deliver the appropriate message in the right way to the right people.

It is crucial to establish two-way communication, encouraging your audience to interact and keep up a constant dialogue. The emphasis should be on face-to-face channels and ensuring that feedback loops are incorporated into every channel.

Your audience needs to be involved right from the start, so that they feel they have helped shape the changes, rather than being presented with a pre-formed set of instructions on ‘how to change’. Input from employees about how they see the company, and how they would like to see the company, is gold dust. Your aim is to engage and motivate your employees and ensure that they are behind the initiative.

The most important message to communicate is why. Why are we changing? What good will it do us? Your employees need to be able to see how the change initiative is going to improve things on a day-to-day basis.

Research has told us that most people want to hear about change directly from their line manager and it is vital to dedicate time to team meetings, where everyone can ask questions as well as have input.

Ultimately, it is crucial to realise that change takes time. Values and behaviours can be deeply embedded within an organisation, and the process of re-educating cannot happen overnight. Senior management must be seen to embrace change and lead by example.

Lucy Croft and Natasha Cochrane of The Loop, providers of communication solutions, recently held a communications workshop with National Savings & Investments, looking at how change initiatives are implemented – what succeeds and what fails. www.theloopagency.com

This article was first published on the British Association of Communicators in Business website www.cib.uk.com

Management Services Spring 2005

Flavour of the month

This is a common attitude and difficult to defeat if an organisation has been known for its short term commitment to a variety of initiatives. What happens is that a new fad creeps into management circles and without proper appraisal is rolled out in the hope of creating some quick wins in the short term. The initiative may well have worked had it been given a chance, more resources and time, but it fails because the momentum to sustain the change is not evident.

It may go away if I ignore it

Suffice to say that this is a natural reaction to change but it is destructive, because the attitude of the person is geared totally to failure. The only way to resolve this is to lead by example, because failing to do so will confirm the negative prejudices.

Unwilling to ‘take ownership’ and be committed

This is an attitude sometimes experienced at middle management and supervisory levels. They may believe they have been the meat in the sandwich for too long and subject to many unrelenting pressures. They have had to be able to meet the strategic needs of the business and deal with the detail lower down the corporate ladder. Couple this with the conflicting demands they endure. In particular, they may have to satisfy the demands of senior management, “design and deliver it on time - but it has to be the right quality”, while at the same time being affected by ’cost reduction programmes.’ These examples of conflicting goals, together with dealing with problems from the shop floor, can be an unbearable burden, especially when the dominant culture is to ‘absorb conflict’ rather than pass it up the management hierarchy.

“First you change, then I will”

This is a variant of ‘You go first…’ and is sure to lead to non activity and no commitment to change. It is founded upon the belief that if someone is strong enough to oppose the action required, this would create the stimulus for total inactivity in the whole organisation. Issues must be dealt with head on and not allowed to go unresolved. Failing to challenge those who openly resist and canvas against the change, has to be addressed.

“They will find out that what I have been doing over the years is wrong.”

Very rarely is this verbalised, but it is evident. Moving from a culture based upon CYA (Cover Your Ass), where blame is the norm and punitive actions a daily occurrence is not easy. Adopting a culture where problem identification and risk taking is actively encouraged can be alien to
some managers and supervisors. They cannot believe that it is possible to change from one culture to another. What makes matters worse is that when they behaved in the old ways - which are now perceived as wrong - they were rewarded.

Trust is the only way of resolving this problem. This takes time. Knowing that resistance is normal is important for both internal and external change agent. Change is not easy, but at least an appreciation of why people resist it equips us to overcome that resistance.

**Personal uncertainty**
This is best summarised as, “Can I live up to the expectations of others? Am I competent to do the new things?” Here the anxiety is internalised. Staff is exposed to new ways of working and they hear of improved performance that they believe will be difficult to achieve. They may also be ill at ease with the terminology they hear from others such as “managers have to be coaches and leaders”, or we will all be “empowered as cross functional teams”, or work in “self directed teams”. The jargon permeates and fuels the anxieties of people as to whether they can make the personal transition.

The solution is to inform: how long the change will take, the likely consequences, the gap between present performance and future expectations, and the actions the organisation is taking to help staff at all levels rise up the learning curve. Above all, gradual change is an important factor that must be reinforced. People cannot change in a day, so why frighten them into believing that they need to?

**Summary**
Change is never an easy process to master. If it were, we would be introducing change programmes at an even faster rate than we are currently. But change will never work unless we confront the reasons why other people fail to see its benefits. By addressing these issues in advance of rolling out a change initiative, the change maker will be in a much stronger position to be able to win active support for the change.

Understanding why people resist change, working through the symptoms of change and how this is manifested in people’s behaviour, will be extremely helpful in improving the performance of change initiatives. If we were to devote the same time and resources to addressing the resistance issue as we devote to publicising the change, then most organisations would benefit substantially and the 90 per cent of change initiatives that are doomed to fail, would stand a better chance. By focusing on change as learning new ways of behaving and encouraging others to expand their learning to take thoughtful risks, change initiatives would flourish and change would be valued and cherished rather than feared.

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**‘Little positive impact on performance, operating efficiencies and results.’**

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