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Making change last: How to get beyond change fatigue

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Making change last: How to get beyond change fatigue

Any change initiative, whether one with a specific focus or comprehensive organizational change, will reach a point when it stalls - a leader's will starts to sag and the minions, employees, start to tune out. Mastering how to make mid-course adjustments will give new life and momentum to these change initiatives. This author describes how managers can make those key mid-course adjustments.

By Eric Beaudan

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When a change initiative goes awry

Change is difficult business. Take the case of one manufacturing company that my consulting firm, Healthy Companies International, recently worked with. The company has been around for over 100 years and is one of the largest federal government contractors in the United States. Five years ago, the company tried to implement a new enterprise-wide IT system. At the same time, it developed a new planning system to streamline work processes between its sourcing, operations and manufacturing functions. Both change initiatives were deemed critical to the future success of the company's 18,000 employees - and to the firm's customers. Did either initiative succeed? No. In fact, these initiatives have come to symbolize what not to do in planning and executing change because they nearly strangled the company's ability to introduce much-needed change in its operations.

In focus groups and one-on-one discussions with over 80 directors and middle managers from across the company, we heard a litany of complaints about these poorly executed change efforts. Surprisingly, none had to

do with the traditional reasons change fails in organizations - like the lack of a burning platform, unclear communications, half-hearted executive support or insufficient resources. In each case, the initiative was endorsed by the executive team, there was a convincing case for change, and people worked hard to think through the implementation. People across the company supported the changes and seemed eager for a quick and successful rollout.

What happened? About two or three months into each initiative, paralysis set in. Few people signed up for the IT training, and end users began to complain that they couldn't get the data they needed from the system. One division began keeping track of one set of metrics, while other divisions continued to rely on their own, distinct metrics. Customer pressures increased, and people felt that they couldn't afford to waste time on each initiative. Eventually, managers went back to their old operating mindset, using "run-arounds" to get the data they needed and expediting work between divisions instead of working to plan. What followed was what happens in most organizations when change goes awry - people on the implementation teams started to blame each other, then their colleagues in other divisions, and finally corporate executives and managers. A general distaste for change began to set in. Yet if the original case for change and implementation plans were sound, why did all the resistance and the blame game go unchecked?

The answer, confirmed by 10 years of research and interviews with leaders seeking to get their change efforts back on track, is simple but elusive: whereas initial planning for change is important to ensure a strong start, most change plans fail to adequately anticipate internal resistance and other unforeseen factors that cause change to derail over time. Think about the Iraqi war. In its haste to build a case for going to war in the first place, the Bush Administration completely misjudged the effort and cost that would be required to rebuild the country and confront a coordinated insurgency. The first 30 days were promising

- with the quick defeat of the Iraqi army and the collapse of Saddam's regime - and then serious complications arose. One could almost say that the Bush Administration expended more energy making its case to the global public through the United Nations in 2002 and early 2003 than it did accomplishing its initial war aims in March and April 2003.

Paradoxically, it seems that the more change leaders focus on the "upstream" issues of getting change through the starting gate, like the Bush Administration did in Iraq, the less energy and thoughtfulness they reserve for overcoming the traps that spring up in the mid-course period of any change effort - typically, within 30 to 90 days of change being initiated. Understanding this pattern and developing a clear strategy for getting through these traps is a must for leaders and managers who want to make change last, or who are looking for ways to revive or accelerate change efforts inside their organizations.

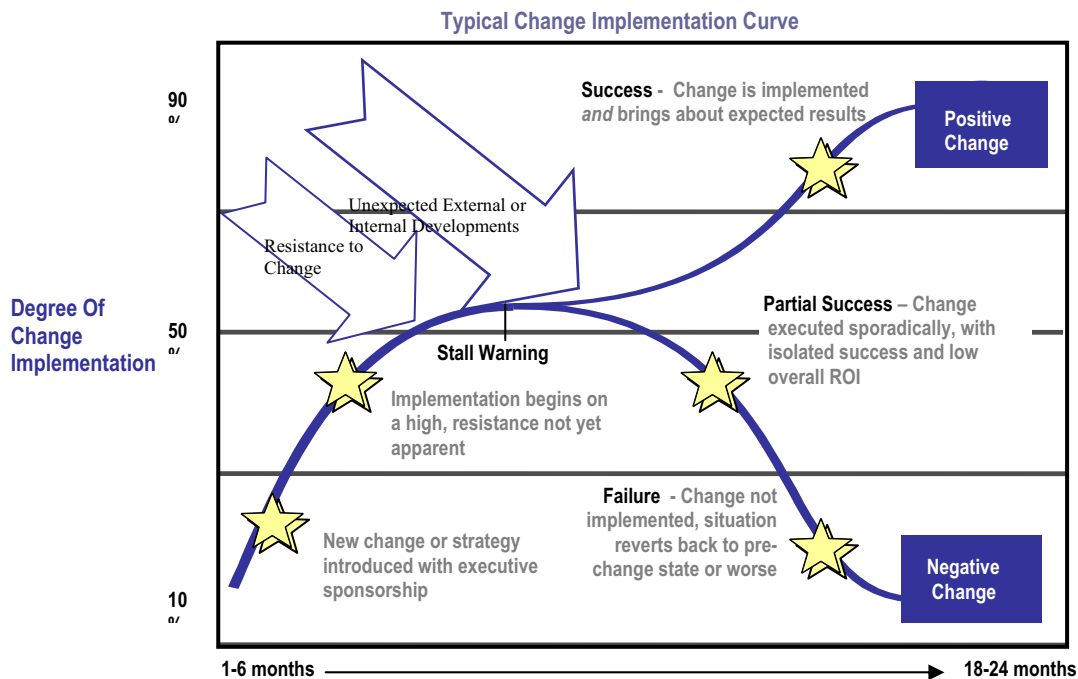
How Change Stalls

Every change reaches a point where it runs out of energy. I call this the stall point, which is what happens when an airplane loses lift and starts to fall back to earth.

All airplanes are equipped with a stall warning device that alerts the pilot that he needs to apply more power. Unfortunately, there is no warning device in organizations to warn executives and managers that change is unraveling. You have to train yourself to recognize the symptoms of change fatigue [see sidebar, "Six Signs of Change Fatigue") and be ready to act. It takes an airplane flying at 40,000 feet less than three minutes to hit the ground if the pilot does not correct a stall. How long can a stalled organizational change effort keep its forward momentum? In some cases, perhaps as long as two or three months, but in a high-performance culture, where word gets around quickly, no more than three or four weeks.

A typical change curve (Chart 1) has three components: a launch phase, when people are often most enthusiastic and supportive (some genuinely, others more because they feel obligated, and yet others because they prefer to reserve their judgment); a mid-course phase, where stall tends to occur most frequently; and a completion phase. Positive change, in our experience, is the outcome in only one out of five change efforts. Three out of five change efforts are only a partial success, and two out of five end in failure.

CHART 1 – TYPICAL CHANGE IMPLEMENTATION CURVE



How does resistance build and manifest itself during the critical mid-course? The buildup occurs during the launch phase, but remains mostly underground as managers and employees decide whether to support change, wait it out or undermine it through inaction and sarcasm. This state of passive resistance is best reflected in statements like "We don't have time to send our people on training for this new system" or "We're not seeing Joe, who is head of manufacturing, use this new system, so why should we?" - which we heard from managers in many organizations.

Passive resistance is not lethal in small doses, but over time it leads to a crippling slowdown of the change effort, where the vanguard keeps trudging along while the rest of the troops decide they need a break. In some cases, passive resistance turns into active, vocal resistance - where people openly declare their opposition and do what they can to sabotage change. This can be an opportunity to acknowledge what's not working about the change - but too often change is either quietly abandoned, someone declares a premature victory, or the business equivalent of trench warfare sets in.

At a global accounting firm, an attempt to create an integrated practice area that combined organization effectiveness, compensation and communications failed after three years, despite a promising start. To give this new practice a quick start, the firm acquired a small leadership consulting outfit, which created an instant capability to take on high-level work with clients in North America. In its first year, the practice had achieved its goal of 12 per cent in total net operating income, and was developing a new global strategy for executive consulting

services. By year two, however, internal resistance began to pull at the seams of this potential powerhouse. Partners on the accounting side became reluctant to introduce the new practice to their clients, because they perceived the practice to be too "gung ho." A change effort to improve profitability within the firm, led by the new practice, was stopped abruptly by the CEO, who wanted to turn his attention to a new (eventually not successful) acquisition. One by one, partners from the acquisition left the firm or joined the accounting side, where they felt their fortunes would be brighter. Business performance dipped, to the point where individual offices began to freeze budgets for the new practice, whose growth was suddenly reversed.

By the end of year three, the practice had lost its lustre and more than half its complement, and the company made a formal decision to exit the business altogether. The COO, who had championed the initiative, resigned along with the Practice Leader. Even the CEO became a casualty after the Board questioned his judgment during the post mortem. In this case, change was derailed by internal resistance and an unexpected side effect of the practice's early success: the increased power of the new practice heads and their executive champion, the COO, who momentarily eclipsed the accounting heads of the business. Could a compromise have been struck to balance the interests of the new practice with those of the traditional accounting business? Most certainly. But unchecked egos and politics fed the resistance to the point where each side dug in its heels in a last-ditch effort to win the contest. The first historical case of an attempt at massive change provides another useful example. In the 14th-century BC, Pharaoh Amenhotep IV (husband of Queen Nefertiti) tried to replace Egypt's traditional sun god, Amon, and the constellation of other Egyptian gods with a single deity, Aton. This did not come easy. The worship of Amon had already been standard practice for 2,000 years when Amenhotep (who changed his name to Akhenaton, to reflect his new beliefs) decided to undertake this drastic change. Egypt was then at its apex of power over the Mediterranean world, and its religious infrastructure, rituals and philosophy were as central to the country's well-being as the constant flow of the Nile.

Not only did Amenhotep change his name to Akhenaton, but he also moved the capital of ancient Egypt from the city of Thebes to a desert location called Amarna. As Professor Gerhard Rempel wrote, "Akhenaton was

6 Signs of Change Fatigue

1. Outsiders increasingly question the value/objectives of the change effort
2. Change effort leaders/coordinators are stressed out and/or leaving
3. Reluctance to share or comment on data about the effort
4. Budget and resources are diverted to other strategic initiatives
5. Customer impatience with duration of change effort
6. Key leaders not attending progress reviews

the world's first revolutionary, and he was fully convinced that he might entirely recast the world of religion, thought and life by the invincible purpose he held." Initially, the royal court went along with this change, and the country continued to prosper. Within a few years, however, Aton's revolution had spawned a fierce resistance among the priesthood, which had been stripped of its powers. The Egyptians, whose daily lives revolved around the many offerings and rites that would carry over into Greek and Roman culture, felt increasingly vulnerable and cut off from their sources of power. Akhenaton persisted. He shut down Amon's temples, discontinued Egypt's aggressive foreign policy and started to worship in open daylight.

returned to normal for the thousands of priests, farmers, craftsmen and fishermen who had tried to embrace the new theology of Akhenaton, without success. Although Akhenaton was a charismatic change leader, he failed to realize that to sustain the new religion would require much more than his personal courage and conviction. Ensnared in his new capital, he lost touch with the reality of millions of people throughout Egypt whose lives were disrupted as a result of his revolution. Egypt's neighbours in Asia became restless and watched with relish as the world's sole superpower suddenly became defensive. Despite his tremendous energy and bold vision, Akhenaton could not lay down a strong enough foundation for his revolution to last beyond his short reign.

Launch Phase vs. Mid-course Critical Questions

Questions That Must Be Answered During the Launch Phase	Questions That Must Be Answered During the Mid-course Phase
<ol style="list-style-type: none"> 1. <u>Case for Change</u>: "Why is this change necessary?" 2. <u>ROI</u>: "How much will this change cost, and how will it improve our financial or operational performance?" 3. <u>Speed of Change</u>: "How quickly can we try to make this change?" 4. <u>Leadership Roles</u>: "Who from the senior team will champion the change effort?" 5. <u>Resources</u>: "How many people will be needed to drive this change?" 6. <u>Impact</u>: "What difference will this make for our people and customers?" 7. <u>Communication</u>: "How will we announce and roll out the change?" 8. <u>Duration</u>: "How long will change last?" 9. <u>Change Steps</u>: "Where do we start?" 10. <u>Quick Wins</u>: "How can we build early momentum and success?" 	<ol style="list-style-type: none"> 1. <u>Resistance</u>: "Who is opposing the change and why?" 2. <u>Focus</u>: "Which other initiatives or priorities are diverting our attention from completing this change?" 3. <u>Energy</u>: "How can we renew people's enthusiasm for change?" 4. <u>Casualties</u>: "What are the unexpected side effects the change caused? How can we acknowledge and minimize these?" 5. <u>Speed of Change</u>: "How can we safely accelerate the change process?" 6. <u>ROI</u>: "What financial or performance improvements can we really attribute to this change?" 7. <u>Communication</u>: "How do we share what we've learned and ask for feedback and inputs from people?" 8. <u>Change Steps</u>: "Where do we finish?" 9. <u>Sustainability</u>: "How can we make sure the changes we're introducing will become institutionalized?"

Did Akhenaton's revolution take hold? Not after his death, 15 years into his tumultuous reign. The Pharaohs who succeeded Akhenaton didn't share his passion for a single god and couldn't withstand the open opposition of Amon's priests, who saw their opportunity to restore the old faith. Within a few years, Amon was restored and the Pharaohs abandoned Amarna for Thebes. Life

What Akhenaton lacked was an understanding of the difference between initiating change - which he did remarkably well - and sustaining it. A successful early drive is rarely sufficient to overcome internal resistance and people's longing for the "old ways" - whether or not these old ways actually serve their best interests. Had Akhenaton

understood this, he might have done what revolutionaries like Lincoln or Gandhi did so well: spend time with the people whose lives are most affected, listen to their complaints, renew their passion for change, find new ways to communicate the message and address resistance head-on. In our work, we've identified a number of these critical mid-course questions. Here is how they stack up against the launch phase questions - those questions that must be answered to get change started in the first place.

Most leadership and change experts can help organizations answer the launch-phase questions. Where they fall short, and where most leaders are left standing alone, is at the point in the curve where change stalls or where passive resistance turns into open warfare. Inevitably, leaders ask themselves, "What did we do wrong in the early phase? What did we leave out?" The answer is: nothing. They are just facing mid-course issues that require new thinking, strategies and tactics. With luck and clear thinking, they still have a better than 50-50 chance of getting change back on track.

Getting Change Back on Track

Once you realize that your change initiative has derailed, or is about to, what strategies can you use to get back on track? There isn't a cure-all, but over time we have found that these four strategies are key to sustaining change over time.

:

1. Rethink change goals and expectations

- *Were your initial goals too ambitious, vague or unrealistic?* If so, redefine them. Your credibility as a change leader hinges on your ability to define reality and adjust to new circumstances.
- *Did you design the right success measures and metrics?* Were you projecting a 12 per cent waste reduction when in fact your project is turning up opportunities to improve product quality and reduce customer complaints? It's still money in the bank - change the metrics accordingly.
- *Was your initial assessment of the change's impact on customers or employees off target?* If so, chances are your customers and employees have already figured this out, and you need to level with them. An honest reassessment of what the change means for them maintains your credibility as a change leader.

- *Have new developments blown a hole in your initial case for change?* If you are now outsourcing the function you were targeting for a significant culture change effort, you need to stop and rethink the whole idea.

2. Change speeds

- *Have you been too slow in implementing change, or, conversely, did you put the pedal to the metal and leave people behind?* If you're running a marathon, you need to conserve energy. In a protracted change effort (anything that runs over three months), you need to sustain and then accelerate the speed of change - without leaving people behind.
- *Have you taken the time to learn and assess what's working and not working?* After the Columbia accident, a Congressional investigation found that the biggest cultural issue at NASA was the agency's failure to analyze what contributed to the string of successful shuttle launches in the 1990s. You can't afford to wait until a fatal crash to learn what's working and not working - therefore, you must do your due diligence as you move along.
- *Do you have clear milestones?* You should have enough milestones to track how quickly progress is being made, and determine if people are moving the ball.

3. Change the mix of people

- *Are the wrong people leading the way?* Did you make the traditional mistake of putting someone in charge of change who has an exceptional track record in getting results, but is not a change agent? Or a functional leader who can't relate to the broader business issues? Time to change the mix.
- *Do you need different expertise on the change team?* Does the team need more cross-functional perspectives, fewer senior leaders and more middle managers, or individuals with better listening and facilitation skills? In one recent change project, the executive champion realized that his team was made up primarily of engineers who had difficulty thinking outside the box. She brought in some marketing and sales managers who helped bring fresh ideas to the team.
- *Should you bring in outside voices?* Sometimes a customer, key supplier or executive from a

different industry can inspire the team with new ideas and perspectives. The most significant factor in bringing an IT change project back on track was a customer panel discussion during which three senior executives told our client exactly what was wrong with their current IT system. This instant, valuable feedback lit a fire under the change team's feet.

4. Add Excitement

- *Go public.* Make a formal presentation about the change effort to your board or management team. Include a statement about the project in your annual report. Make a speech about the project at a conference. These actions will put you on the diving board and test your commitment to the project. They will also re-energize the change and make it front-and-centre on your agenda.
- *Increase the stakes.* Make the benefits for individuals or teams engaged in driving the change more immediate and visible. When Gordon Bethune became CEO of Continental Airlines, he promised every employee a \$65 cheque for every month the airline made it into the Top 5 list of best on-time performance for all U.S. airlines. Guess who has the most-improved on-time departure record in the U.S. airline industry today?
- *Create a crisis.* When a city or region declares a state of emergency, people take notice. The same concept works inside organizations. When a piece of critical data comes to your attention and confirms your fears about the project, call an impromptu meeting and challenge the team to come up with a rescue plan. Drop everything else for two days, or for whatever amount of time seems appropriate. NASA was able to bring back the crippled Apollo XIII orbiter using this technique. If you make it clear, like they did, that "failure is no option," you are creating a constructive crisis that will stir people's sense of responsibility and lead to creative solutions.
- *Make it fun.* When two Canadian companies, Alcan and Bank of Montreal, introduced Value-Based Management as a new strategy to maximize value, they sent employees and managers to a three-day business simulation to learn about VBM. To this day, both companies keep a record of which

teams have achieved the highest stock price during the simulation. Learning sessions such as these can help unlock a team's creative potential.

Leadership Implications

What do these lessons mean for change leaders? First, leaders need to recognize that the initial change platform they create is only valid for a short time. They need to conserve their energy to confront the problematic issues that will stem from passive resistance and from the unpredictable side effects that change itself creates. It took several years for Jack Welch at GE to introduce his famous

What They Don't Teach You About Change

1. **All change runs into resistance.** Don't ever assume, even if it appears so, that resistance to change will be minimal. Be prepared to face open and quiet resistance from unexpected sources.
2. **Individuals who support change at the beginning may become neutral, passive or active resisters over time.** People change political affiliations once or twice in their lifetime. Expect the same to happen during a demanding change effort.
3. **All change involves a shift of the organization's power structure.** Some people will inevitably gain influence, while others will lose some. It's this unpredictable side-effect that causes most of the passive or open resistance in organizations.
4. **No amount of advance thinking, planning and communication guarantees success.** That's because change is by nature unpredictable and unwieldy. The military have a great way to put this: "no plan survives contact with the enemy". Even highly successful military operations like the 1991 Gulf War ran into unexpected twists and turns - in this case the coalition forces' failure to effectively knock-out the Iraqis' Scud missiles, a task for which significant resources had to be re-allocated.

Vitality Curve, where he asked each manager in the company to identify their bottom performers and to be very specific about how they would improve their performance - or be shown the exit. Resistance to Welch's system was huge, to the point where managers would include on their list people who had left the company or had passed away. Welch had to personally intervene and explain the reasons for this curve at hundreds of occasions before the company finally accepted the practice.

The second task of the effective change leader is to recognize the symptoms of change fatigue and to avoid falling into a terminal stall once the initial enthusiasm and support for change begin to ebb. They need to monitor their own emotional state as they deal with resistance - whether it's denial, anger or depression - and develop a plan of action to steer change through its mid-course. They must avoid the temptation of blaming themselves - or worse, other people around them - for not planning the change effort thoroughly enough or anticipating resistance.

The final lesson is that visible leadership is the fairy dust that keeps change alive over the long haul. Akhenaton withdrew inside his new capital of Amarna and avoided dealing with the growing unrest that sapped his revolution. Great change leaders recognize that they need to get on the balcony to be seen and heard. They anticipate the weariness and resistance that distracts people's attention and inject the right amount of substance and passion to keep change alive. In June 1940, a month after the fall of France, Winston Churchill famously declared: "We shall go on to the end, we shall fight on the seas and oceans ... we shall defend our island, whatever the cost may be, we shall fight on the beaches, we shall fight in the fields and in the streets ... we shall never surrender!" During the Battle of Britain, Churchill was seen walking among the ruins of London after almost every Luftwaffe raid, and stayed a visible symbol of England's commitment to fight on.

An interesting event took place in the manufacturing company that started off our story. Three years after the setbacks the company experienced with IT and planning, it was ready to launch a new wave of change - this time the menu would feature process improvement (a mix of Lean and Six Sigma) and a new leadership development program for middle managers. Instead of setting high expectations through a formal, highly visible launch, the CEO told us that he wanted to get each project off the

ground, spend three to six months learning what worked and didn't work, and then design a realistic plan to sustain the change effort over three to five years. With this mindset, the company's leaders and managers were able to soak up the change and assess resistance without the pressure of needing to show immediate results.

One year into this change, the company is now addressing a new set of questions: how do we accelerate change, how do we link it more clearly to what our customers want, and how do we design the right metrics to show progress and impact? Instead of expecting quick results, the company has appointed a new executive to drive continuous improvement and create training and learning events to drive change forward. Those are the right questions and the right steps to keep change on track. ■