How to Implement Change Effectively

Sandra Suran

Major change may include the merger of organizations or departments, a system overhaul establishing a new division, restructuring to increase the effectiveness of operations or to refocus on core products. You may have the vision of where you want to be, but how do you get there? You may have brought in the systems analysts to design the changes and hired the industrial psychologists to improve internal attitudes towards change; now, how do you make the change happen—successfully and quickly?

It is relatively easy to determine new directions or changes that need to be made to achieve greater profitability, more effective customer service, or increase market share. It is not too difficult to develop strategies to accomplish those changes, to hire the public relations specialists or the systems experts, or to negotiate the merger. The major difficulty is changing the way business is done—changing people's day-to-day jobs—while maintaining staff and management morale. The basic problem

Mergers mean big change. But while you may have the vision of where you want to be, how do you get there? And why is it so difficult to implement major change?
© 2003 Wiley Periodicals, Inc.

is *fear*—of the unknown, of inability to perform, of appearing incompetent, of job loss or loss of prestige—*which might result from the change.*

This fear is so strong that the Federal Reserve Bank credited it with keeping the economy on an even keel, without high inflation, in the face of eight unprecedented years of extremely low unemployment. Even with employers frantic for more workers, over two thirds of U.S. workers feared that they would lose their jobs—because of the pace of change they feared that their skills were not current or were not sufficient for their jobs! In numerous surveys, the #1 perk today is new skills training and education.

KEYS TO SUCCESSFULLY IMPLEMENT CHANGE

People are the driving force in successfully accomplishing change; conversely, lack of per-

sonnel support is the major cause of failure to accomplish change. Since fear is the dominant reason for workers' failure to support changes, then building faith and trust that everything will be okay is the solution. The objective is to create a change plan and implementation processes that people will believe in, can trust, and, ultimately, will support. How do you do that? People will believe in a plan they understand; they will support new processes and structures more readily if they have an opportunity to participate in developing them.

The keys to successful change, therefore, are more open, collaboratively developed strategies, structures, and processes. The corollary is that collaboratively developed structures and processes also tend to be the most effective and profitable.

1. **Clearly defined and communicated strategies.** Organizations typically have a vision for where they want to go and have the basic strategies to get there. But is the strategy clear? Can every

group and department within the organization understand it? Does every individual understand the effect of the strategies on their group and on their individual job? An overwhelming percentage of workers, including middle management, usually do not clearly understand what will happen, and fear sets in. Do all workers understand what will happen during the transition process and what will be expected of them? Employees fear that the transition will bring chaos and sudden disruption of their routine. They fear that they won't be able to do what is expected of them, that their jobs will become overwhelming, or that they will lose their jobs. So a clearly communicated, detailed strategy that links all parts of the organization will help to allay fear of the unknown.

2. **Effective organizational structure.** Most management groups don't consider the impact that their current organizational structure will have on the desired change. Typical command and control structures do not foster interchange and collaboration. Even newer, team-based structures promote competition and protectionist attitudes around the team, rather than shared information and innovations across all teams.

For example, consider a construction company that is structured around independent, empowered, ongoing teams. Each team has its own sales staff, customer service representatives, project managers, carpenters and electricians, and support personnel. The workers are extremely loyal, feel valued, and enjoy working in teams. Although a few seasoned teams were financially successful, most teams lost money the last few years. The reason being that there is no structure and few processes for sharing information across team lines—information about the performance or problems with new materials, good or bad experiences with alternative suppliers, or warranty debacles. The same expensive mistakes are made repeated-

> *Effective processes lead to trust— and without trust, change can never be successfully accomplished.*

ly, each time by a different team. Obviously, Knowledge Management (KM) processes are needed, but structural changes need to be made first or the KM processes will not be effective.

3. **Effective processes, including communication processes.** Twenty years ago people believed that process got in the way of accomplishment—they equated process with "bureaucracy." Today most managers understand that effective processes are empowering. Effective processes provide assurance to workers at every level that there is a way to get their ideas for changes objectively considered, to assure that approved changes are implemented, and to openly communicate new issues and changes. Effective processes

lead to trust—and without trust, change can never be successfully accomplished.

HOW TO ACHIEVE EMPLOYEE BUY-IN

A comprehensive strategy, effective structure, and processes lay the foundation for successful change. Now, how do you gain employee faith and trust (a.k.a. "buy-in")?

1. **Convince employees of the need for change.** How? Good information and open, forthright communication presented frequently, dramatically, and graphically. Provide information to make the need for change real, personal, and critically important for the future success of the company to each employee. If there isn't a way to describe the need for change in ways that will inspire and motivate every employee group, then there hasn't been sufficient analysis of the benefits and issues related to the change.

2. **Listen to employee concerns and needs;** help disparate employee groups to understand the concerns and needs of others (in other words, link the groups).
   a. Do surveys of employee attitudes. Use both quick, simple questionnaires and extensive ones, depending upon the use and the audience. Publish the results, analysis and implications. *Caveat: Be very careful of the timing, nature, and participants for each group of questions. You should be relatively*

Exhibit 1

Change Plan–Expansive Process: Summarize Needs, Design Solution, Prepare Detailed Operations Plan

	PHASE A — Determine Major Problems and Needs — 11/15/01 – 4/30/02			PHASE B — Refine/Expand Problems Develop Alternative Solutions — 3/1/02 – 6/30/02			PHASE C — Develop Expanded Picture of Solution; Assess Alternatives — 6/1/02 – 8/31/02			PHASE D — Develop Detailed Operations Plan — 9/1/02 – 12/31/02		
Process Steps	Needs Assessment	Document and Summarize	Discussion and Debate	Needs Assessment	Document and Summarize	Discussion and Debate	Needs Assessment	Document and Summarize	Discussion and Debate	Needs Assessment	Document and Summarize	Discussion and Debate
Process Dates	11/15/01 – 1/31/02	1/20 – 2/15	1/25 – 4/30	3/1 – 4/15	5/1 – 6/15	5/20 – 6/30	5/20 – 7/15	7/15 – 8/15	6/15 – 8/31	8/15 – 12/1	9/15 – 12/31	9/15 – 12/31
Process Tasks	Interviews & data collection—problems and solutions	Summarize major problems and suggested solutions	Determine additional issues and questions to research problems and suggested solutions	Interviews & data collection—responses to suggested solutions	Summarize issues and data collected; revise and expand suggested solutions	Determine additional issues and questions to research on suggested solutions	Interviews & data collection—further define suggested solutions and alternatives	Analyze & accumulate data; solution details; implementation alternatives; transition outline	Assess solution details, alternatives, & transition outline	Accumulate data	Detailed operations plan; transition plan	Assess/ revise operations plan
Guide; Participants	Small Core Team; Major Stakeholders	Consultant/ Coordinator	Mgmt Group & Team Meetings; Survey	Core Team; ExecComm; expanded stakeholder group	Consultant/ Coordinator	Mgmt Group; Meeting and Retreat	Executive Committee; Stakeholders	Consultant/ Coordinator	Special Teams; Major Retreat	Mgmt Group; Company-wide Specialists	Consultant/ Coordinator	Mgmt Group; Special Teams

(Note: The plan above involved approximately 300 team members and 20 entities; a smaller project/change would be done on a shorter timeline)

certain that you know at least the general direction of attitudes before doing surveys and publishing results.

b. Utilize agendas and meeting summaries to ensure that there will be positive progress from each discussion or meeting and distribute the meeting summaries to communicate the results to other groups. Cross-communication of knowledge and progress is critical for building momentum, breaking down organizational silos, and creating a new environment of openness.

c. Coach leaders in effective listening and diagnostic questioning to foster an environment of openness and trust to elicit and promote the best ideas for accomplishing changes.

3. **Involve employees in a meaningful way** in developing the plans for change and for implementation. The only way to make new concepts for management and collaboration happen, the only way to accomplish change is to *train while doing* real tasks, use the new ways of relating and testing new processes while working on real projects, try new roles and structures while developing detailed plans. These steps will help move the majority of the employees who are unsure, fearful that the change may not happen or hopeful that it won't happen. These steps will reinforce the fact that their leaders and their friends support the change and are participating in making it happen.

Here are some tools to communicate progress and help to build positive momentum:

a.   Develop an overall Change Plan, showing the phases to completion of the project (See Exhibit 1, Expansive Process).

b.   Use Project software to show progress steps; update the chart on a regular basis (perhaps semi-monthly). Post the chart in workrooms or hallways.

c.   Develop project benchmarks; discuss progress toward each benchmark at planning and employee meetings, and in newsletters.

d.   Use employee interest groups, dialogue sessions, and interviews to determine attitudes towards change (see Exhibit 2), to discuss issues and problems related to changes at various stages of planning and implementation. Also use the groups to provide project status reports and obtain feedback.

e.   Listen for and openly communicate similarities between group attitudes; play down differences, play up positives and similar positions.

f.   Provide team-wide and cross-organizational social/change events. Use the events to celebrate progress and to foster cross-organizational communication.

As employee groups begin making changes, reinforce the new processes and collaboration by rewarding even the first small efforts: (a) *immediately approve* well researched and analyzed, team-developed solutions; and (b) *visibly display successes* for all employee groups to see the recognized successes of others.

An iterative process (as described in steps d and e) is an excellent way of involving employees, expanding the circle of involved people, reinforcing the similarity of attitudes rather than differences, and communicating the similar positions, issues, and needs of groups to one another. An iterative process helps to *link* people, to bring them together and thereby assure successful change. (See again Exhibit 1, Expansive Process; and Exhibit 3, Implementation Approach.)

4.   **Communicate the plan, the rationale for the plan, and the strong belief in the plan by upper management and leaders** representing all segments of the organization. Leaders should visibly recognize and celebrate progress in planning and implementation, especially where decisions and approaches may not have been unanimous. This is critical to convert those who may be "on the fence."

TRAPS THAT SABOTAGE CHANGE: WAYS TO AVOID THEM

1.   **The problem with troublemakers is that you really can't (and shouldn't) avoid them.** Frequently the root of their concerns is shared by many others throughout the organization. The "trouble-

Exhibit 2

Typical Dispersion of Attitudes towards Change—All Organizations and Issues

60%

15%   20%

5%
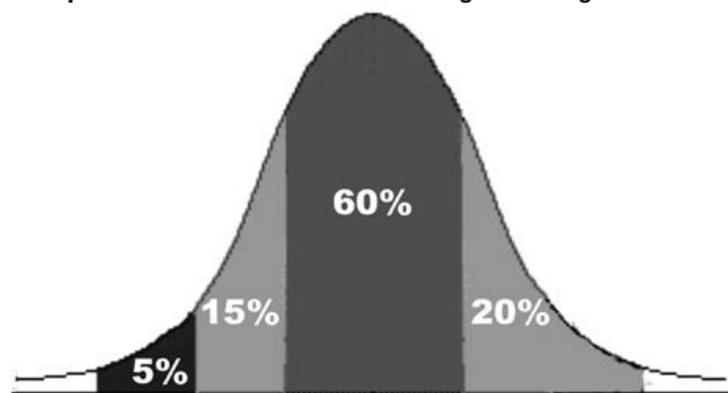
Approach to Implementation
In a typical change project, the number of strategies and steps appears formidable.
Utilizing a process-focused approach will make implementation of any plan faster, easier, more effective, and more likely to gain support of "the troops."

1. Determine urgent, immediately needed steps (limit to 4–6).
2. Strategy session to develop overall, linked plan with timelines for each urgent step. Include all affected leaders (executive team, group leaders, division managers).
3. Appoint "Coordinator" for each urgent step. Coordinator assures steps are taken and reports progress to core leadership group.
4. Accumulate other strategies/steps. Prioritize as A (high priority), B, or C (not a high priority).
5. Determine strategies/steps that can be quickly accomplished (whether A, B, or C). Assign responsibilities.
6. Establish preliminary desired completion date for each strategy/step.
7. Code strategies/steps for important links to other strategies/steps.
8. Assign person to each "A" strategy; empower them to research and select appropriate cross-department team.
9. Publish/publicly display entire plan in summarized format with leaders, major phases, and target dates.
10. Teams develop detailed implementation plans; work to complete assigned strategy (including other linked strategies/steps where appropriate) by target date. Develop process for revising target dates, if necessary, based upon detailed plans.
11. Core leadership group tracks progress of teams. Develop spreadsheet grid with major steps for each team, original target dates compared to revised/actual completion dates.
12. Develop similar spreadsheet format with detailed steps, assigned responsibilities, and target dates for use by each team.
13. Develop process for publishing/publicly displaying progress to all affected personnel.

makers" are usually just more direct, more overt, and, yes, willing to be more disruptive than others. You enter a trap if you ignore or attempt to destroy "troublemakers." Like martyrs, they gain more power from each attack. Worse, you may be missing a chance to learn about a significant issue or problem that, once fixed, could improve the organization or protect it from a critical flaw.
How do you disarm "troublemakers"? Pick the brightest, most articulate "troublemaker" leaders. Appoint them to an important change team, one that has good leadership.
Openly *listen* to the "troublemakers" because: (a) You may learn about issues that will help you to build a better plan. (b) Listening and involving "troublemakers" takes some of their ammunition—the perception that management doesn't want to listen and doesn't understand. (c) Not infrequently, once these articulate leaders are heard and become part of the process, they may become very effective lieutenants in the change process.

2. **Don't be fooled by what appears to be the majority opinion.** Funny thing—the most vocal critics almost always represent only about 5 percent of the population group.
How to disarm the vocal minority? Develop hard data about what the real majority thinks. Then, communicate the results loudly!
The methods of developing hard data depend upon the situation, the organization culture, and the depth of the problem. You can use focus groups, brown bag sessions, interviews, or surveys (group or organization-wide). Document them carefully and distribute the

---

Exhibit 4

Traps that Sabotage Change

- The problem with troublemakers is that you can't (and shouldn't) avoid them.
- Don't be fooled by what appears to be the majority opinion.
- Leaders believe they need consensus or majority "buy-in" before they begin major changes.
- Company "Politics" inhibits sharing and trust—and prevents meaningful change.
- Differences always appear larger than they are.
- Neither "top down" nor "bottom up" work when implementing change

---

results as part of the overall communication plan.

3. **The leaders must be totally on board first.** Everyone knows this. But frequently CEOs hold back their full endorsement and visible leadership waiting for a consensus or a mandate. It doesn't happen. Waiting for an approach that makes everyone happy dilutes the strategy so much that it does not effectively accomplish the desired change. Then everyone blames the strategy, which usually isn't the problem.

How to move forward when it appears that only a minority supports the change. Build a change structure that includes leaders from every major constituency—form a core planning team representing core constituencies (include leaders from all levels of the organization) with varying views, but positive attitudes towards change. Use the core team to develop the initial structure, processes, and communication strategies. Use them to monitor progress and attitudes. Obtain feedback from them on possible solutions. Make their involvement, contributions, and support very visible. The old bell curve is really true of attitudes toward change. Typically, 20 percent of people in any population or group are immediately supportive of positive, beneficial change. There are 60 percent who are more cautious, and the remaining 20 percent dislike change intensely, will fight it, and try to sabotage it. Once the cautious 60 percent understand the change, realize that it may have major long-term benefits, understand the obstacles and difficulties to be overcome, and see people they respect supportive of the change, they will support the change plan. When the 20 percent who dislike change realize that 80 percent of the organization is on board and that they will be left behind, most of them (usually about 15 percent) will grudgingly give in and join the 80 percent—even on work teams. The remaining 5 percent or so (I have never seen it higher than 8 percent) will never be supportive and will work to undermine the change as long as they are in the organization or community. The problem is that the 20 percent negative minority group (or 5 percent major opposition) is always the most vocal. I have seen many situations in which this negative minority group convinced their leaders (and everyone else) that they are the majority. If the leaders are afraid to move until they sense consensus, beneficial changes will never occur—to the detriment of the entire organization. The critical (and courageous) action that leaders must take is to move ahead with the 20 percent vanguard, while taking steps to prove that the opposition is only a small minority and providing substantive information to the cautious 60 percent majority.

4. **The political environment and past history inhibits sharing and trust.** "Politics" fosters fear of change in most organizations. Employees think may things, including: "If it doesn't work, someone will be blamed. Those who are on the 'inside' will see that those who aren't get

blamed." "Needed changes haven't been successful in the past, why will this time be different?" "Those in power don't want to risk their positions; they won't do what it takes to make this work." There are many other perceptions usually extant that protect the status quo and inhibit change.

How to reverse this self-perpetuating environment? A catalyst is needed to turn around this self-fulfilling and destructive cycle. But the tendency in most organizations is to say, "We have talented and smart people here. We can do this ourselves." Change, almost by definition, is difficult if not impossible to implement without a catalyst from outside the organization to "open up" the organization and break the negative perception of change cycle. An outside person can serve as a buffer to receive sensitive information about issues and potential pitfalls because they can objectively investigate them, summarize them, and camouflage them to pro-

tect the sources. As an independent, objective outsider, this person can facilitate the establishment of implementation structures and processes unhampered by past political issues and "sacred cows." Management can use this catalyst to establish a new, open environment and to obtain insight that might be impossible to obtain with continuing staff.

5. **Differences appear greater than they are**. Leaders hamper their ability to accomplish change by focusing on the differences of opinion or attitude rather than on the similarities. They get bogged down (and make the change much more difficult than necessary) by spending too much time trying to resolve perceived differences. Usually, differences are not as significant as they first appear. And they are usually most easily resolved in the course of planning and implementing the change.
How to avoid focusing on differences. It seems to be human nature for people to be more alert to negatives

and differences than they are to positives and similarities. Groups will move closer together if their leaders listen for similarities and reinforce them in their issue summaries and approaches. The remaining real differences are much more easily resolved when groups realize the extent of their similar opinions. In fact, most differences disappear as people begin to understand one another's perceptions and issues.

6. **Neither "top down" nor "bottom up" are ideal ways to accomplish change.** The most effective way is a combination, utilizing the leaders' understanding of macro trends and issues to begin the change effort, reinforced by the "street level" awareness of application and operational issues that employees have at all levels of the organization.
How to assure that both management and staff levels are appropriately involved. Use an iterative process to (a) plan, (b) assess, (c) reinforce, (d) test implement, and (e) plan the next level on an expanding process and

---

Exhibit 5

Tools for Building Momentum and Support
1. Develop a Change Implementation Plan, showing Phases to Completion.
2. Use Project GANTT charts to show progress. Post in workrooms, hallways, and lounges.
3. Develop project benchmarks; discuss progress in employee meetings.
4. Hold employee dialogue and feedback sessions.
5. Develop employee surveys of issue attitudes and concerns. Publish results.
6. Send agendas in advance; do meeting summaries immediately after all planning and implementation sessions.
7. Coach leaders in effective listening and diagnostic questioning.
8. Communicate similarities among groups whenever there is an opportunity to do so.
9. Provide team and organizational social events focused on celebrating change progress.

structure. For ideas on building momentum and support, see Exhibit 5.

CHANGE IS A NEVER-ENDING PROCESS—IT IS NOT AN EVENT

The Change Management process should never stop. The process should involve management and employees at all levels in analysis and consideration of the changing environment, company issues and opportunities for improvement. The process should include constant monitoring and looking for ways to improve communication; it should inform on the plan status against benchmarks and timelines. A good Change Management process will enable organizations to successfully weather economic downturns and major industry changes—because change will be an integral part of the organization culture.

Sandra Suran, CPA, has been president of The Suran Group, a Change Management consulting firm, since 1990. The Suran Group provides services to government, not-for-profit, and for profit organizations. Ms. Suran previously led audit and consulting engagements as a partner with Suran and Company CPAs, and KPMG Peat Marwick.