ABSTRACT

Change is unavoidable in modern businesses. Small business owners must be aware of the pros and cons of change in business in order to maximize the effectiveness of their change management skills. Whatever business you are in, you know that change is the only thing that is constant. Your business has to change in order to grow, to meet new challenges, to keep up with the competition, to adopt new technologies and improvements, and to tap into new markets.

Yet managing change well is a challenging process. It is, in a sense, a way of creating the future. True change management doesn’t just involve getting through the change, coping with the change, or surviving the change; instead it requires careful construction of a process that will lead to successful implementation of the change for you and your colleagues or employees. Being successful at bringing change into reality at your organization requires that you first understand some foundational points such as the process of change.

Keywords: Change Management, Managing Change

WHAT IS CHANGE MANAGEMENT?

It is important to note what change management is and what change management is not, as defined by the majority of research participants.

- Change management is not a stand-alone process for designing a business solution.
- Change management is the processes, tools and techniques for managing the people-side of change.
- Change management is not a process improvement method.
- Change management is a method for reducing and managing resistance to change when implementing process, technology or organizational change.
- Change management is not a stand-alone technique for improving organizational performance.
- Change management is a necessary component for any organizational performance improvement process to succeed, including programs like: Six Sigma, Business Process
Change management is how we drive the adoption and usage we need to realize business results.

PROSCI’S DEFINITION OF CHANGE MANAGEMENT

Change management is the application of a structured process and set of tools for leading the people side of change to achieve a desired outcome.

The systematic approach and application of knowledge, tools and resources to deal with change. Change management means defining and adopting corporate strategies, structures, procedures and technologies to deal with changes in external conditions and the business environment. (SHRM Glossary of Human Resource Terms, www.shrm.org)

Change management is a systematic approach to dealing with change, both from the perspective of an organization and on the individual level. (www.searchsmb.com)

Change management is a structured approach to transitioning individual, teams and organizations from a current state to a desired future state. The current definition of change management includes both the organizational change management process and the individual change management models, which together are used to manage the people side of change (Wikipedia)

THE PROCESS OF CHANGE

There are a multitude of change management models that you can follow in order to manage through change. However, each model takes into consideration the individual and his or her response to change.

Denial

The general process of change begins with the change being presented to the group. There is a general environment of denial. Thoughts are shared, such as ‘this isn’t necessary,’ ‘the way we’ve always done things works just fine.’ In this way, the group’s focus is on the past. They have a kind of ‘if it’s not broke, don’t fix it,’ attitude. They are still in denial of the need for the change. Other emotions that the group will express may include: shock, discouragement, disbelief, anxiety, uncertainty and immobilization.

Resistance

At this point, the individual will feel resistant to change. Individual performance may start to suffer. The manager will face a challenge in overcoming the resistance of each individual because each person will respond differently. It will take being attentive to what is happening with each individual in order to successfully overcome their resistance. Some of the behaviors or ‘symptoms’ a manager may see in this stage include: suffering, anger, loss of productivity, confusion over roles and future, bargaining, feeling of loss of control and loss of trust or commitment.

They may be confused about what exactly the change will mean for them. Will they still have a job? Will they be expected to do things they don’t know how or don’t want to know? What will the workplace be like after the change?

It is at this point that good change management processes can help the individual to move from focusing on the past way of doing things to the new way. Management can reassure the individual, work to rebuild trust and commitment, and champion the change as a model of it for their employees.
Exploration

The next stage occurs when the individual begins to accept that the future will involve the change. She now begins to consider what the change will actually mean to her individually. Managers should be prepared to share a lot of information and expect a lot of questions at this point.

This is a sort of learning phase for the individual. They’ve accepted that this is how it’s going to be; now they want to tentatively figure out what it will be like. There are several different things that the manager can help the individual do in order to get through this phase: manage stress, clearly define the vision, communicate new values, identify the strengths of the new situation, seek benefits and opportunities, reaffirm there is no going back, educate, Train, and clarify.

Commitment

In the final stage of the change process, the individual has become committed to the change and to the remainder of the process in getting there. At this point you can expect to see some positive behavior from your employees, such as: modeling the new behavior, taking responsibility for implementing the change, asking questions that show proactive thinking in how to proceed towards the ‘model’, assisting others through the change process, focusing on the future – both to the final implementation of the change and beyond.

At this point, the employee is part of the change, not just in agreement with it.

Realize that your employees will all reach this phase at different points. Some may move from denial to commitment rather quickly, while others may need more support from you or other leadership in order to feel comfortable progressing through the stages. You will need to be patient but firm during this time as you help each employee make the transition to commitment.

THE PROS AND CONS OF CHANGE MANAGEMENT AND ITS IMPACT

Productivity

The effect of change on a company's productivity is like a double-edged sword. On one hand, changes can bring about drastic improvements in employee productivity. Installing a new point-of-sale (POS) order entry terminal in a retail chain, for example, could help to reduce the time customers spend in line while cutting back on costly employee errors. On the other hand, serious work flow slowdowns or stoppages can occur if any problems arise during the implementation of a change. Employee productivity is likely to plummet for a time as employees involved in the change become accustomed to the ways in which their jobs are affected. While the new POS system in the earlier example may be designed to reduce line-time, lines are likely to be longer for a few weeks as employees familiarize themselves with the new technology.

Workforce Attitudes

According to topbits.com, it is important to garner buy-in from managers and front line employees in order to maximize the effectiveness of the change and the change process itself. Unfortunately this is not always easy to achieve. While some people in your organization are likely to welcome the change, most times there are at least a handful of key employees who will resist it. In this way, change can increase the productivity and satisfaction of some employees, while reducing the productivity and satisfaction of others. Change resistors can spread doubt and fear among other employees. Focus on discovering the true motivations and needs of this group and work with them, rather than against them, to help them realize the importance and benefits of the change.

Relationships

Some changes, such as the decision to outsource a department, can lead to damaged relationships between the company and its employees, and can ultimately have a negative effect on the company's reputation in the workforce. Others, such as promoting employees internally or adding new departments by hiring fresh talent, can strengthen and widen the company's relationships. At times it
may be impossible to save a company without offending or severing ties with certain employee groups. Work closely with these groups to ensure that their difficult transition is as beneficial to them as possible.

**Success or Failure**

Change initiatives are generally implemented for the good of a company, but the results of change can be unpredictable. While most organizational changes are brought about after considerable research and discussion, it is still possible for a company to be worse off after a change. Whether it is a change in business model, target market, organizational structure, or even leadership, the success of the business will be affected one way or another. Do not implement company-wide changes on a whim; perform extensive research and testing to be as certain as possible of a positive impact.

**Resistance to Change Is a Good Thing**

When embarking on major change transformation within organizations experienced change managers perform a key activity – coaching senior leaders how to recognize and manage employee resistance. We preach that resistance is an expected outcome of change. We discuss the theory related to human behavior, the physiology of change, and the difficulty encountered when we attempt to take people out of their comfort zone. We conduct training and countless hours of one-on-one coaching for leaders and managers to improve their competencies in managing this expected resistance. As consultants, when working with new clients, we see and hear evidence of previous change transformations that failed because of employee resistance to change. So how in the world can I say that resistance to change is a good thing? Let me explain.

Some might wish for a utopian change transformation where no resistance exists. In this utopia, all change is fully and universally embraced and people freely move out of their comfort zone into a new way of being simply in response to their leader’s request. In this wonderful world, flowers are blooming, birds are singing, and change is a natural way of life. What could possibly be the downside to this change receptive-utopia?

While great ideas would be smoothly assimilated into the non-resistant organization, so would bad ideas. Oops! At some time in our careers we have all experienced attempts to implement bad ideas. Employee resistance to change can actually help prevent bad ideas from being implemented. This expected resistance causes us to deploy a strategy to get buy-in in order to get our good ideas implemented.

We should greatly appreciate when employees push back against our initiatives because resistance to change forces us to:

- Justify why change is necessary
- Take time to slow down, prioritize, strategize and create supporting plans
- Involve employees, listen and gather feedback

**WHY CHANGE IS NECESSARY**

Many people resist change because they don’t know why they are being asked to change. So we must answer their question “why is the change necessary?” Resistance to change forces us to justify to the workforce why we are changing. Leaders must ensure that their ideas creating the change will actually enhance the organization. Assuming the organization has a vision of where they are going, does this change align with and help achieve the vision of the organization?

A good reason “why” should be supported by establishing a business case for change. Otherwise, why should we embark on it? Does the change make financial sense? Does the change make sense in the short-term or is this a long-term plan? Once this financial justification is clearly established and understood we must be ready to answer the next question. How will this benefit the individual employee?
When changes occur, there is fear of the unknown. Employees will immediately wonder if their needs will still be met. Some of the typical fears include job loss, loss of power or influence, loss of prestige, reduced overtime, increased hours or more productivity. When we implement major change the justification must be translated to employees in the context of what’s in it for me (WIIFM). We must make this translation because this is what they will be listening for. But, while leaders think that they can define the pros and cons at a personal level, they cannot. Only the individual employee can tell you the pros and cons of how a change will affect them. Resistance forces leaders to find out how the change will impact people. This can only be accomplished by communicating directly with employees early and often.

**TAKE TIME TO SLOW DOWN, PRIORITIZE, STRATEGIZE AND CREATE SUPPORTING PLANS**

Resistance to change forces us to slow down a bit and take the time needed to create comprehensive plans. Project managers know that their project’s success and failure are separated by risk. A detailed risk plan must be created to mitigate project risks. This plan includes items such as resources, funding, timelines, and coordination. Project risks associated with the people side of change must also be considered. Risks must be analyzed and change management plans created, including a communication plan, plans to help our sponsors and managers, and a reinforcement plan.

**Risk Analysis**

The people side of change can be seen as a risk to our project objectives. When evaluating the risk to our project we must look at the size and scope of the change as well as the specific characteristics of the organization related to change. How big is the change? Does it change one group or everyone? Is everyone affected the same way or is the change different for each individual group? Is the organization saturated with many changes all happening at the same time? Are resources even available to make this change happen? Does the organization have a history of failed changes often referred to as “flavor of the month” syndrome?

**Communication Plans**

Justifying the what, why, and WIIFM is usually accomplished through the communications plan. The plan should be crafted to address the needs of all affected groups throughout all aspects of the project. Communication is constantly referred to as one of the things we can do better. This gap and its associated negative effect are magnified during events causing major change. When resistance to change forces us to create plans and communicate with our employees it reinforces the benefits of good communication. These lessons learned can be carried over and applied to how we communicate daily with our people.

**Coaching Plans for Sponsors and Managers**

One of the worst assumptions that change managers can make is to assume that sponsors and managers know exactly what is expected of them during a transformation. Coaching plans should be developed to assist these key roles in executing the activities necessary to be successful. We ask sponsors to lead from the front, build coalitions of people to guide the initiative and communicate key messages. We ask managers to work directly with the people who are changing and provide two-way communication, manage resistance, lead by example, connect the project to the people, and coach people through change, as well as make the change themselves.

**Reinforcement Plans**

As we encounter resistance and take people out of their comfort zone, how do we keep them there? We must have a plan in place to reinforce those new behaviors or they will revert back to the old behaviors. From the Plan-Do-Check-Act model this is a “check” We must check that the new behaviors are in plans and coordinate this “check” function with incentives and rewards. These can
range from a simple pat on the back to celebratory dinners, to bonuses, to promotions. Creating reinforcement plans for major change often forces organization to evaluate the effectiveness of their current reward and recognition programs to ensure that the correct behaviors are being reinforced.

INVOLVE EMPLOYEES, LISTEN, AND GATHER FEEDBACK

While many leaders may have some great ideas, they may not always be the best solution. When we get different points of view we come up with a better solution. Getting employees involved early in the process fosters better solutions. The ideas become “ours” or “the teams”, not management’s. This generates ownership and ownership minimizes resistance. One of the greatest benefits to involving our employees in designing solutions is that it further enhances their skills and abilities in continuous improvement. This makes them more valuable employees.

We all need to listen more. When we attempt to jointly develop solutions, our employees will tell us what is working and what isn’t. Listening provides us with feedback on whether the implemented changes are generating the results and associated return we expected. Resistance generates communication content. Listening for symptoms of resistance will allow us to check if we are trying to implement a good idea or a bad idea.

CONCLUSION

Change and Resistance to change is a normal human response. Employees will immediately seek to translate the change to a personal context, which can be greatly magnified by fear of the unknown. When organizations have to address the question with the workforce it forces leaders to justify the reason for change. Addressing the reasons for change and involving the workforce in crafting solutions creates the best ideas and helps prevent bad ideas from being implemented.

So go ahead and prepare for your next change transformation. Anticipate the expected resistance it will bring. And when you see evidence of employee resistance actually appear, just smile. Because now you know that resistance to change is a good thing. And it’s something that should not be feared. It should be embraced.

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