

# The stages of a Major Change Process

Carolyn Taylor.

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Each of these phases occurs in every major change process, though the length and intensity of each can vary considerably.

The purpose of this paper is to assist leaders to predict, recognize and manage well each phase so that the change process objectives are achieved, and in the shortest possible time.

### Stage One: Excitement or Acceptance

The proposals are in, the business case built, the potential bottom line impact looks good. Leaders see the intended change as likely to provide new contribution to the performance targets they are struggling to achieve.

Some individuals are genuinely excited and already advocates - either because of their functional position or their genuine vision of what the change process could achieve. In a group of 200 senior managers there may be 5 genuine advocates at this stage.

Everyone else sits in two categories. Some believe they are really on board with the proposals, but their understanding of what is

really involved is more superficial than they realise. Consultants often do not help here because at this very early stage if they really explained everything that will have to occur in the next two years, they might rarely get a sale. In the early stages managers think within their current paradigms and it is very rare to find individuals who can imagine this future path in real depth.

The final group in stage one are those who accept the proposed change process with a fair degree of lip service. They are busy, many proposals are put up, this one may well not fly and at this point it is probably best to nod and get back to the real job of running the business.

### Leadership team's role in Stage One

Aim to increase the number of true advocates. Cherry pick potential enthusiastic individuals and work on them one by one, through persuasion, involving them in scoping etc. Achieving 10-15 strong advocates at this stage can make a huge difference later on.

Do not even try to get serious buy-in of the whole group - it's way too early.

## **Stage Two: Denial or Ignoring**

Activities start to occur, project plans gain detail, a small group - usually from head office, plus consultants - become immersed in masses of planning actions which show few outward deliverables and virtually no benefits.

A divide commences. Those in the activity group become consumed with the process and forget that for everyone else nothing seems to be happening. The activity group can easily see a world where the change process is everything. Those not directly involved, on the other hand, continue on their own sweet path, occasionally passing comment on the excessive number of office people and consultants who seem to be running around producing very little. As they see few outcomes they lose focus on the objectives of the change process, do not actively seek information and increase their efforts to demonstrate that by focusing on what they know best - running their part of the business in an operational sense, according to the past paradigm - the company's problems can be resolved.

### **Leadership team's role in Stage Two**

Focus extensive communication efforts at those not directly involved in the change process activity groups. Do not let them forget what the organisation signed up for. At every opportunity possible re-emphasize the goals of the change process.

Ensure the activity groups dedicate time to communication to: Why are we doing this? Give us input. How will it work in your part of the business? This group must see the operational/line people as their customers, even if they may be selling them a bad-tasting medicine. Provide regular, simple progress reports - which show that while it may appear that we are running around but not producing much, these are the benefits that we will be delivering to your business. Paint pictures - "When we deliver you x, it will enable you to do y in your area."

## **Stage Three: Resistance or Sabotage**

This stage usually kicks in around 6 months after commencement depending on the size of the overall process.

Assuming that the passive acceptance in stages one and two did not kill off the change process, this is the point where the bulk of managers realise that this project/process actually may get legs. Suddenly or gradually the unattractive sides of the change dawn. People see - though they will rarely admit it, not even to themselves - what they are likely to lose: status, turf, power, comfort, independent authority, carefully developed hidey holes where they can duck accountability.

The force of this stage depends on the culture. High Power, Oppositional and Avoidance are the fuel for this fire.

Once the “threat” becomes real, the human ego kicks in, and it has many disguises. The first, and easiest, is to find people to blame. Consultants are the first target because everyone hates consultants and by this stage they are bound to have made some mistakes which can be amplified and built into a case which, if developed by resistance expertise, can delay a project for months or on a really good day, even stop it altogether.

Another excellent sabotage approach is to build a case - which is easy to do because there is some truth in it - that the change process is taking the organisation’s eye off the ball, customers will suffer, short term profile will be affected etc.

Finally, there is the divide and conquer approach. If the top team is not absolutely united and resolute - and it is rare that it is at this point unless a lot of work was done to achieve this in stages one and two - then factions form and other managers use these factions to build their own case.

While all of this is occurring, the project activities groups start feeling defensive, assess/in their minds, (if not out loud) the rest of the organisation as being shortsighted (or words to that effect!) batten down their hatches and do even more work, becoming stressed in the process and often losing sight of their own bigger picture.

To add to all this, budgets for the change process have now become very visible, and since the change process was probably initiated in the first place to improve unsatisfactory performance, available funds are likely to be tight, “resentment” towards and challenging of the dollar spend permeates the management group.

### **Leadership team’s role in Stage Three**

This is where the team’s resolve is really tested. In almost all cases, no more than 50% of the top team are really passionately behind the process they have embarked on. Sometimes, if one really probed deeper feelings, the number is lower than this. We have had cases where actually no-one in the team was prepared to stand up 100% to drive the process through, all having sort of agreed in the earlier stages and then got swept along by the momentum. By the way, consultants will sometimes allow this to happen as it is the momentum which gives them their fees and it takes courage to question the buy-in too hard in case everything is halted. So when the resistance/sabotage tactics get underway, it is very easy for the leadership team to be convinced by their reasonableness. The best resistance always builds cases which contain true information (e.g. it is hard to focus on customers and manage a change process, consultants will have done some poor quality work, and budgets will be too high).

However, the absolute essence of good change leadership is to:

- Never show any chink in your resolve to drive this through for the long term benefits that will be delivered.
- Deal with individual challenges or difficulties presented with the intention of correcting the problem or finding a solution. Do not take individual incidents and generalise them to draw sweeping conclusions which tend to lead to dramatic actions (e.g. stop the project, fire the consultants, take 50% off the budget). If such actions are taken during this stage the sabotage will have been successful.
- As a leader remember that the threatened ego is a clever animal. Do not take what you are told at face value. Know yourself and your own personal doubts about the project/process - these will be your Achilles heel and people will play to these. (For example if they know you are obsessed about customers and have some fears yourself about the project's impact on customers, then you will be presented arguments about how the project should be halted/slowed down etc. because it is negatively affecting customers).

Keep clearly in your own mind, and in that of your people, the long term need for this process, and the competitive risk of not doing it. The priorities are firstly to get the absolute commitment of the top team (lip service is no longer enough). By the end of this stage (which usually lasts about 6 months) any members who lack this absolute resolve should probably leave the team.

A number of change processes do not get past this stage. The team lacks the resolve, courage or conviction about the path they started. The damage caused to the organisation by stopping - or even worse, but more common quietly allowing a slow death which could take a further year - are horrendous. The costs are incurred but the benefits not given the chance to be gained. Cynicism is rampant. The organisation's attempts to restart another similar process in the future will be severely hampered.

This is the time for courageous leadership. To pass through this stage you need about 70% of the senior team and about 20% of the next level really with you, including some key line players. This is achieved through a combination of inspiration and demand.

Talk "and" rather than "or" (e.g. we will find ways of focusing on short term performance and implementing this change which will ensure our long term success).

## Stage Four: Hearts and Hands

There is a moment, as stage three comes to its close (assuming this process did not die its slow death!) when something magic starts to occur. The process shifts from an intellectually sound endeavor to a gut felt passion. Many people actually talk about suddenly having “got what this is all about”. People come up for air for long enough to see the big picture. Rather than seeing what they might lose through the process they see what they can gain.

The peer group norm shifts from one where the popular position is to be against this process to one where the norm is to be for it. The resisters and negative people are on the outer not the inner side and their peers get frustrated with them.

All of this produces a success spiral. The belief that “we can do this”, itself accelerates the activities and sound decisions which make this belief a reality.

How does this shift from stages three to four occur? Firstly it happens incredibly quickly (an organisation, or at least its management population, can flip from stages three to four inside a month. The triggers are twofold. Firstly a critical mass of managers has an interred shift from intellectual exercise to heart/gut belief. This best occurs when interventions allow a large number of the management population to experience that shift within a very short time

frame - there is a shared emotional high: surprisingly the stronger the resistance at stage three the greater the conversion - the strength of one becomes the strength of the others. For this reason the resistance and confusion in stage three is essential to reach stage four. If you see no real resistance, you are probably actually still at stage two, silent denial.

Once this shift has occurred, then enthusiasm must be strongly channeled into action. Interestingly in a change process emotional shift usually precedes successful action, whereas many expect it to be other way around. You cannot force right action of a change process nature without emotional buy-in and people may go through the motions but no more.

Therefore there is high risk in reaching roll out stage or implementation stage of major activities to the line if stage four is not reached. However, gut buy-in rarely occurs without people seeing tangibles. (What do we have to do? Specifically what changes are occurring? Where are the restructures, job losses etc.)? Timing then is everything and the process is best achieved through “just-in-time” emotional buy-in. Usually this occurs in a cascade fashion by level. It can be disastrous if the head office/project teams drive implementation into the line before the senior line levels have been exposed to a very active education, communication and buy-in process.

In the cascade scenario the “soft” side of a change process (social, cultural, attitudinal and behavioural) runs out in parallel with and ideally very slightly ahead of the “hard” side (process changes, IT systems structure etc.). The soft side then needs to kick in during and after implementation to put in a wedge which prevents the whole thing rolling back down the hill again.

#### **Leadership team’s role in Stage Four (also now includes next level management)**

Give priority, time and resources to the emotional buy-in component. Everyone is so busy it is easy to allow these types of activities to be pushed out or cancelled. To prevent this requires leadership insistence that the activities occur. Understand and sell to others the extraordinary high financial risks of rolling implementation on without the stage four states having been reached. Research now shows that the most common causes of failure in projects and change processes (everything from IT system changes to downsizing to mergers) are human - the lack of a heart-felt intention to find ways to make this work rather than ways to prove that it won’t), or the lack of the cultural, behavioural and attitudinal shift required for the new way to work.

As leaders, be very visible and very passionate. Your emotions will elicit emotions in others. Buy-in and alignment is an emotional not a mental state. (You lead people into battle; you don’t manage people into battle). If you are flat or

invisible, that is what the organisation will reflect back.

Once the critical mass is being reached and a groundswell of support can be felt then channel people very quickly into clear, focused activity. Show people what you want them to do to make this thing happen. Be very specific. Update requirements very regularly. Get in and encourage ideas, give people permission to experiment and to put their own stamp and flavor into the implementation.

Consultants know when this stage is reached when their clients start is moving faster than them. Suddenly, everywhere you turn people are doing the very things you as the consultant were about to suggest. Guess what? It is almost time for them to withdraw.

#### **Stage Five: Institutionalising the Change**

If stage four really occurs well, the managers themselves will put in place the stakes which lock the new ways in so they become a part of the normal way of life (until the next big step is needed!!).

Structured follow up, measurement, revitalization activities are essential. Processes become the priority - are our business processes in line with our new thinking and activity (e.g. planning and budgeting, what we are measuring and rewarding)?

The individuals who are clearly not going to make it now stand out like a sore thumb. Whilst many who people thought would not make the change actually are able to, once the peer group norm has shifted, some will not. These must go or they can over time poison (many will chose to leave, realising the new order is not for them).

Performance benefits from the change will now be showing on the bottom line and these must be highlighted, communicated and above all, celebrated. They are why we did all this in the first place and it is all too easy to jump straight on to the next challenge without really acknowledging the extraordinary achievements which have occurred.

### **Leadership Role in Stage Five**

Set up measurement yardsticks (ideally earlier in the process) on a broad range of achievement measures (financial, customer, culture etc.), measure progress and actively promote celebration. Thank your people.

Examine business systems or processes which were in place prior to the change, especially the sacred cows! Do we really still need to be doing this activity? Is this measurement or report still needed (does anybody actually read or use it)? Be bold - cut things out. Reduce bureaucracy and excessive sign-offs. Abandon meetings, committees or forums which have been there forever and whose purpose has been forgotten.

Finally, and most important of all, focus intensely on your market, your customers and their needs. Reinvent your view of them. Search for new insights into what they might respond well to. The best way to institutionalise a change process, which has delivered a more effective, focused and excited organisation, is to apply those gains to pro-actively find new innovations and use them to take the market by storm and leap ahead of the competition.

This is the real story of how change processes actually happen. Go in with your eyes open, expect each stage and do not be surprised or put off by them. Keep your eyes and heart on the end goal and take time out to refocus on the whole picture and pathway.

You will be excited, flat, frustrated, furious, focused, overwhelmed, a close team, a fractured team, hopeful, and we hope rewarded for your efforts both through financial performance and personal satisfaction.

**Good Luck!**