Introduction to Week 2

## Introduction

In week one we investigated key concepts underpinning change and change management. This week we continue our investigation by first critically reviewing essential background information before we move onto how to successfully conduct a change management process.

A critical understanding with change management is acknowledging that change involves people. Therefore, this week we will review the psychology of change and change management. In Week 1, you had the opportunity to reflect on your own experiences of change and the extent to which, on a continuum, it was frightening to exhilarating. Individual reactions to change have their genesis in psychology and understanding these reactions is important in change management. Keeping this in mind, the resources and activities this week will help you understand how the actions and dispositions of those affected by change and change leaders can embody to facilitate successful change in their organisations.

## Weekly learning objectives

By the end of this week, you should be able to:

1. predict the reactions of people and teams to planned and unplanned change
2. provide advice to people about how to personally prepare for and manage organisational change
3. recommend, from the scientific evidence, how leaders in organisations can help people effectively manage planned and unplanned change
4. provide an analysis of the personal characteristics and skills required to lead organisational change
5. deliberate on the strategies that can be implemented to overcome resistance to change
6. exhibit a high level of accountability when involved in or leading change
7. advocate to a variety of audiences the importance of using appropriate change management approaches in social and organisational settings
8. adopt a leadership role in preparing for and implementing change in organisational settings.

# 2.1.1 Reactions to change

While individuals will vary in terms of the degree of their response to any change, most have an adverse reaction to change. This reaction is a stress response or what is known as ‘flight’ or ‘fight’ mechanism that naturally occurs in the face of a threat. Over the short term, the stress response is primarily beneficial because it energises the individual for action. It then subsides when the threat has gone. Importantly, long-term real or perceived stress can have detrimental effects on the mind and the body. Recent neuroscientific evidence through brain scanning has confirmed that, indeed, humans experience the same sensation as pain in the face of change. This finding is extremely important for leaders to understand when thinking about or initiating a change process.

The change process, both in preparation and implementation, must acknowledge this natural feature of human nature into consideration if the change initiative is to be effective.

All the change models that you will examine in this unit, include steps to attempt to reduce stress and decrease the possibility of resistance through carefully designed processes.

We will closely examine the human reaction to change in more detail throughout this topic.



#### REQUIRED READING

Since the stress response is an important factor in change, the following reading from the Center for Integrated Healthcare (n.d.) reviews what we mean by the stress response and explains the neuroscience behind how change affects people.

# 2.1.2 Neuroscience for organisational change

Change, specifically technological change, is happening more rapidly than ever. This means there is more pressure on leaders and managers to successfully lead change and get it right the first time. The field of neuroscience can greatly assist in this endeavour.

The following activity helps you understand how change is managed, how management involves operational staff in the change process, and the extent to which staff is consulted and involved in safety-related decisions. This activity illustrates that employees have both positive and negative comments on varying aspects of change. It can impact either their reluctance or agreement to allow change to happen. Select the continue button to begin.

[Text alternative](https://vucollaborate.vu.edu.au/d2l/common/dialogs/quickLink/quickLink.d2l?ou=845311&type=content&rcode=VU-1793692)



#### REQUIRED READING

The following three chapters from Neuroscience for organizational change: an evidence-based practical guide to managing change by Hilary Scarlett (2016), will assist you in not only understanding what neuroscience is, but why organisations should be interested in the fundamental facts and principle about our brains.

Read the first 35 pages of the text that covers the following three chapters. This will assist you in understanding the challenge leaders and managers when introducing an organisational change. As an individual leading organisational change, you need to understand how the human brain perceives and processes change. With this information you will be much better placed to assist employees in dealing with uncertainty.

* Chapter 1 Introduction to neuroscience.
* Chapter 2 Brain facts.
* Chapter 3 Why our brains don't like organisational change.

# 2.1.3 Scenario: The problem – Happy Hollows nursing home

Happy Hollows nursing home has come under increased pressure from a new board to modernise its operations. One of the issues is that the organisation is having problems recruiting and retaining new nursing staff who have qualifications in aged care. Exit surveys have revealed that nurses feel that there is inequity in the rostering system in that certain staff who have been in the organisation for a long time are on permanent night and weekend shifts and it is impossible for new staff to earn penalty rates. In addition, there is no opportunity for younger staff to experience management roles in evening and night shifts.

The new senior care manager also noted that staff who were on permanent night and weekend rosters were not able to update their skills because most training and up-skilling occurred during day shifts. Some recent incidences involving medication errors and emergency situations indicated that some staff were not keeping up to date with their skills.

The decision was made to implement a new rostering system in which all registered nurses, enrolled nurses and assistants in nursing would rotate through day, evening, night and weekend shifts. It was agreed, however, that some flexibility would be provided for nurses who could not take certain shifts due to personal circumstances.

However, for some the nurses, this change meant that they would need to move to a rotating roster and fixed shifts were to end.



#### REFLECT

Given what you have just read about Happy Hallows, reflect on the following questions:

1. Using what we have learned about how people react to change, what could you expect might be the response from the staff who have been in the organisation for a long time and are on fixed shifts?

2. How might this response manifest itself?



#### REQUIRED READING

The following article by Blom and Viljoen (2016) is a very good overview of how people react to change. It is a research paper and demonstrates nicely how research is often conducted in the change management area. That is, it is often qualitative and is interested in personal experiences of change and what works and doesn’t work. Knowing how people react to change is critical in designing and implementing change processes, a key focus in Assessments 2 and 3.

Abstract

[READ ONLINE](https://sajbm.org/index.php/sajbm/article/view/2)

Organisational change has become inevitable. Although modernity is characterised by change, humans struggle with change as the future becomes increasingly unpredictable. The extended disorder that has become the norm can cause a sense of loss as well as anxiety for individuals, organisations and society. Unrelieved stress becomes perpetual and will undeniably influence organisational change efforts negatively. Thus, the impact of fear, anxiety and stress at an individual and organisational level is accentuated. This study followed a qualitative research approach and adopted a grounded theory methodology. Negative emotions dominated the research data which further indicated that individuals find it difficult to engage with change in a meaningful manner as fear, anxiety and stress dominate. Thus, human reactions to change are discussed, as the organisational challenge seems to be how to find workable methods to reduce fear, anxiety and stress. Else it may become persistent, intense, chronic or recurring. Real-life stresses may then further hamper individual functioning. The researcher conceptualises the anti-leader and anti-manager. These concepts depict the negative characteristics of leadership and management which invariably increase individuals’ fear, anxiety and stress levels. Emotions elicited by the anti-leader or anti-manager could potentially split, divide and fragment a workforce.

# 2.2.1 Managing resistance to change

It is a natural reaction to see people who resist change as troublemakers, at worst, and annoying, at best. It is important to recognise four important facts:

* resistance to change is a normal psychological reaction
* people are not deliberately being difficult-they are under stress
* self-interest is also normal and is a key determinant in how we create and manage change
* we should focus on the person’s behaviour not the person when thinking of how to react.

Resistance to change needs to be seen as a natural phenomenon although its manifestation will vary from individual to individual.



#### REQUIRED READING

The following chapters from Part 2 of Neuroscience for organizational change: an evidence-based practical guide to managing change (Scarlett 2016) will assist you in completing the activities in this topic and Assessments 2 and 3, which involve preparing for and implementing change respectively.

Read chapters 4 – 7 to better understand what you as a leader can do by paying attention to neuroscience and how you, as well as other employees, can benefit from understanding the basics about how the brain works.  These 4 chapters are extremely practical and evidence-based, that outline what change leaders can do.

* Chapter 4 Performing at our best during change.
* Chapter 5 Our social brains.
* Chapter 6 Managing emotions during change.
* Chapter 7 Decision making and bias.



#### EPORTFOLIO TASK

Once you have read Chapters 4–7 of Neuroscience for organizational change: an evidence-based practical guide to managing change (Scarlett 2016), answer the following questions:

* The nurses at Happy Hollows will likely see the proposed change as a threat. How would you counterbalance that as a change leader?
* The readings help us understand that our brains are wired to be social, and social rejection has an impact on IQ. As a change leader, reflecting on Happy Hallows, what steps will you take to be aware of ingroups and outgroups and how will you connect people to beneficiaries?
* What steps would you take as a change leader at Happy Hallows to find the right balance between speed and accuracy in your decision-making?

Allow 60 minutes to complete this activity.

# 2.2.2 Management accountability

Given the potential impact that change can have on people, there is an element of accountability on the part of the leader when planning and implementing change. When you undertake Assessments 2 and 3 you will be expected to demonstrate a level of accountability in minimising the negative effects on people.

The following activity explores some of the ways technology is changing organisations.

[Text alternative](https://vucollaborate.vu.edu.au/d2l/common/dialogs/quickLink/quickLink.d2l?ou=845311&type=content&rcode=VU-1788233)



#### REQUIRED READINGS

The following article talks about humanising change and highlights the importance of accountability by managers when they implement change, the topic of Assessment 3.

Communication is critical in managing change. Because the human brain craves information, not having information makes employees uncomfortable and anxious. Read Chapter 8 Communication, involvement and the role of storytelling (Scarlett 2016)  as it discusses how storytelling works well to assist in successfully implementing change.

# 2.2.3 The effects of poor decision-making

Managers need to recognise that they are accountable for the decisions they make and that any decision should not be made carelessly. Deciding to implement a change in an organisation should be undertaken with careful forethought, careful planning and compassion for the people it will affect. The same care needs to be taken when a change management process is not going well.

Sometimes, resistance to change is not what it seems. The following true-life case story demonstrates this important fact and how it is possible to get the diagnosis completely wrong when it comes to managing change.

## Case in point

### Assessing the assessors

The author of this study guide was asked to conduct change management training for a government organisation. The problem given to me was that a particular team was having difficulties in adopting a recent structural and functional change and that it was affecting both the team and the effectiveness of the new initiative. The project brief was to conduct a two-day change management workshop for the ‘troubled’ team and help them adapt.

My normal approach in training workshops is to find out what the participants need, their workplace problems and stories, so that the content and activities can be designed around real problems. Lucky that I did this.

It transpired that the organisation had decided that it needed to ensure the quality of the work of its various teams around the country. The teams assessed applications from members of the public and had to approve or reject them depending on a very large set of criteria. Over a 12-month period there had been an increase in customer complaints and identification of errors in reports and in the interpretation of the assessment criteria. This had led to a question from the Minister’s Office after a complaint from a particularly high profile person.

In response, and in panic mode, the management team, led by a new and rather autocratic CEO, established a new team, The Quality Management Team. Its task was to examine reports and provide feedback on the assessment of applications and reduce mistakes. Previously, quality control had been an internal matter for each team and a key function of each team leader.

The response from the teams and from the team leaders was extremely negative. Initially, resistance was relatively passive and included non-compliance with recommendations, failure to produce information, not turning up to meetings, and ignoring requests. Then, the team leaders started to write reports arguing with the findings of the Quality Management Team (QMT), and sending these directly to the CEO.

Over a short period of time, the behaviour of the teams became hostile and even outwardly aggressive. Complaints flooded the emails and in-tray of the manager of the QMT and the CEO. The members of the QMT started to demonstrate symptoms of stress with increasing sick leave and a reluctance to undertake their role. They actively avoided difficult teams, team leaders and some team members.

It became apparent to the CEO that the QMT needed to become much more pro-active in helping the teams to adopt to the change. In effect, they needed to become change agents themselves and get the teams on board. Hence the need for the training.

It transpired that the first the teams knew of the new quality initiative and the QMT was when the QMT team members started making appointments with them to review their reports. Even the team leaders did not know.

The QMT members had been drawn from the assessment teams across the country and had been given no training other than their brief that thy were to improve the quality of the assessment process and reduce customer complaints.

The management team decided that formal performance review would be initiated if a team member was found, by the QMT, to have made mistakes in 3 reports over a six-month period. Team leaders were told that they too would be subject to performance management if their team was found by the QMT to make excessive mistakes and receive too many customer complaints. The QMT were required to submit monthly reports on each team in terms of complaints and errors.

It was also clear that the manual used by the teams to assess customer applications was a very large, complex, and often convoluted document that was hard to interpret, even for the QMT.



#### EPORTFOLIO TASK

To assist in your preparation for Assessment 2, respond to the following questions in your based on the case study above.

1. Why did the teams resist the change?

2. How did the management team and the CEO demonstrate a lack of accountability in implementing this change process?

3. How would you have prevented this situation from occurring?

4. To what extent, if at all, is this situation retrievable?

Allow 30 minutes to complete this activity.

# 2.3.1 Leadership and change management

So far, we have touched on the need for accountability by managers when they decide to implement a change in an organisation. We saw, in fact, how a change implementation can go dreadfully wrong.

It is still surprising, despite what we know about change management, the plethora of effective change management process models available, and what we understand about leadership, change management is often so badly carried out in both public and private sector organisations.

Effective change management needs exceptional leadership. The style needs to be transformational, which means working through and with people, maximising their potential to complete the change project. Too many leaders adopt a transactional approach, the carrot and stick method that involves task focus and task completion using reward or withdrawal of reward as the motivation.

In this topic, we’ll look at how transformational change leaders effect change in their organisations.



#### REQUIRED READING

You may have already studied transformational leadership in other studies and we’ll be using the concept in the rest of this unit. So, as a reminder or for those new to the idea here is a great summary of transformational leadership from Blake Morgan. In Assessments 2 and 3, you’ll take the role of a change leader, so this will be valuable reading.



#### REQUIRED READING

The following article looks at the behaviours of change leaders. You will use the information in this paper in your next activity and will find them a useful background for Assessments 2 and 3.

This next reading is not an academic paper but comes from an excellent source and brings together some important aspects of change leadership that you will see in the change management models discussed in Weeks 3 and 4.

**10 Critical Questions for Change**

**Narrow Results**

# 10 Critical Questions for Change Leaders

Jan 24, 2019

By Carol Kinsey Goman, Ph.D.

Two or three years ago I read a news story about an executive who had been hired to turn around the fortunes of a business that was on the rocks. The product was bad. Morale was awful. Management appeared to be confused about what to do. And customers were staying away in droves.

Clearly, this fellow had been hired to make changes, and here's what he said: "We gotta shake this place up and keep shaking until we get it right."

He was a change manager, to be sure. He had been brought in because things were not working well and somebody had to make miracles happen quickly. And our guy did that in spades, firing middle managers with abandon, reversing policies that had served the organization well and establishing immediately that he was king. It worked—for a while. The operation seemed to take on a new focus, and customers returned. The product got better. Management relaxed and the teamwork that everyone had hoped for seemed to emerge once again. That's the good news.

But I used that word "teamwork" advisedly because this organization indeed was a team, a minor-league baseball club in a large Southern city. Sports franchises make great cases for the study of change management because the results show up so quickly.

In this case, the "shaking up" of the organization worked for slightly less than one season and the new manager was summarily relieved even as his bravado still seemed to echo off the locker room walls. He was a bold manager of change, to be sure, but he was not a skilled one.

The lesson of this man's forceful and narrow-minded attack on the company he set out to correct is critical for corporate managers: change cannot be mandated or forced. It has many constituents and these constituents count. Change managers need to ask themselves some difficult questions before they set out to "shake things up." And they must listen to the answers.

### If you are a sensitive change manager, here are some of the questions you must consider before you set out to make things better.

**1. What is the employees' perspective?**
To mobilize a work force to transform itself, leaders must know what people in the organization are thinking, encourage them to articulate their points of view and their concerns and be ready to respond to them sincerely. Don't rely on second-hand information or make assumptions about what you think employees think. Ask them—and keep asking them until the answer becomes clear. Only then can you begin to design a strategy that builds on synergies and fills in perception gaps.

**2. Did you "set the stage" for change?**
One of the most vital roles of leadership is to anticipate the corporation's future and its place in the global arena, and then to formulate strategies for surmounting challenges that have not yet manifested. To proactively respond to these challenges, businesses must continually reinvent themselves. Leaders must encourage employees to join a constant questioning of the prevailing business assumptions—and to be ready to act upon new opportunities early in the game to maintain a competitive advantage.

**3. Are you tracking employee perceptions throughout the change?**
As important as it is to find out what employees are thinking before the change, it is just as crucial to have a system for monitoring employee perception throughout the process. George Bernard Shaw once said that the problem with communication is "the illusion that it has been accomplished." When it comes to communicating change, leadership must be especially careful not to suffer that illusion. Strategies that include employee interaction and feedback systems help organizations track the level of work force comprehension. You will find the greatest advantages come when organizational feedback is gathered immediately after the delivery of every important message. One of my clients uses this short questionnaire to query her audiences before they leave the meeting room:

* What in your view are the most important points we just covered?
* What didn't you understand?
* With what do you disagree?
* With what do you agree?
* What else do you need to know?

**4. Are you giving honest answers to tough questions?**
In the light of economic realities that offer little in the way of job security, employees must be able to rely on their employers to give them honest information that will allow them to make informed choices about their own jobs, careers and futures. When you can't answer every question, it is best to tell people that you understand their concern but don't know the answer. Or, say that you don't have the information yet, but will get back to them as soon as decisions are made. It is even better to tell people that you have the information but can't release it than to withhold or twist the truth.



**5. Can you explain “what's in it for them"?**
I was in Sweden working with a county government agency that was completely revamping its health-care system. The leader of this enormous change was proud of the way he had communicated to the county's residents. They had been given a thorough briefing—the reasons behind the change, the timing of the change and exactly how it was to be carried out. Then he turned to me with a frown and said, "But you know, there is still one question that I get asked all the time." I interrupted. "Let me guess," I said. "People want to know if the wait for a doctor's appointment will be any shorter than it currently is. Am I right?" The man looked startled and asked, "How did you know that?" I told him that I knew to expect that question because it is the one I hear most often about change—“What's in it for me?”

**6. Is your communication "behavior-based"?**
Organizations send two concurrent sets of messages about change. One set of messages goes through formal channels of communication—speeches, newsletters, corporate videos, values statements and so forth. The other set of messages is delivered informally through a combination of "off the record" remarks and daily activities. When I coach senior management teams, I begin with two questions: "What do you currently do that already supports the change?" and "What do you have to do differently to align with the change?" For today's skeptical employee audience, rhetoric without action quickly disintegrates into empty slogans and company propaganda. In the words of Sue Swenson, president of Leap Wireless, "What you do in the hallway is more powerful than anything you say in the meeting room."

**7. Can you paint the big/little picture?**
Vision is the big picture (we'll look at this next), and it is crucial to the success of the enterprise. But along with the big picture, people also need the little picture:

Big Picture—Presenting the concept of transformation.
Little Picture—How are we going to do that?
Big Picture—Setting long-term corporate goals.
Little Picture—Where do we begin?
Big Picture—Developing the overall objectives of the transformation.
Little Picture— What are the priorities?
Big Picture—Creating the mission of the organization.
Little Picture—Where does my contribution fit in?
Big Picture—Communicating organizational values.
Little Picture—What does this mean in my daily life?

**8. Is it your vision or our vision?**
Leaders understand the power of vision to imbue people with a sense of purpose, direction and energy. A compelling vision of the future pulls people out of the seductive hold of the past and inspires them to set and reach ambitious corporate goals. Of even greater importance is the sense of meaning that people derive from their jobs when they can tie their contributions to the fulfillment of a clear, compelling vision. Leaders must therefore be able to paint the big picture. But if the vision belongs only to top management, it will never be an effective force for transformation. The power of a vision comes truly into play only when the employees themselves have had some part in its creation. So the crucial question becomes, "Whose vision is it?" Leaders must create a master narrative that coherently articulates the company's identity and ideals and is embraced by every member of the company. If you want employees to feel the same kind of connection to their work that the executives felt at the retreat, then you have to get them involved. Up your leadership skills even further and take our course on [Preparing for Leadership: What it Takes to Take the Lead.](https://www.amanet.org/preparing-for-leadership-what-it-takes-to-take-the-lead/)

**9. Are you emotionally literate?**
To be a consummate manager of change, it is not enough to engage people's logic; you also have to appeal to their emotions. As leaders gain the insight that people skills (the "soft stuff" of business) hold the key to organizational change, human emotions take on new significance. Large-scale organizational change almost invariably triggers the same sequence of reactions—denial, negativity, a choice point, tentative acceptance and commitment. Leadership can facilitate this emotional process or, ignored, it can erode the transformation effort.

**10. Do you know what shouldn't change?**
The greatest challenge for leaders is to know the difference between what has to be preserved and what needs to be changed. The "genius" of leadership is being able to preserve an organization's core values, and yet change and adapt as times require. The product of that kind of leadership is an organization that goes on for a very long time.

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# Week 2 Summary

In Assessments 2 and 3 you will be required to think about how to design and use processes to make change more acceptable and to limit inevitable resistance. Your assessments put you in the role of a change leader in preparing for and implementing change.

This week has provided some important insights into these issues. We’ve seen that people, quite naturally, do not react to change well and that resistance should be seen as normal rather than an exception. It is a phenomenon that need to be anticipated and managed.

We also examined the critical role of the leader in change management. Moreover, good leaders need a special set of characteristics and skills to deal with the complexities of change management.

It is critical to remember that the brain is a ‘prediction machine’ and that a lack of information causes anxiety (Scarlett 2016). Keep neuroscience in mind as you work on your assessments.