



Change Management

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Based on research by the Change Management Learning Center over the last eight years, change competency – the ability to lead change – is a leadership skill missing in many business managers.

The success and growth of business managers is often measured by their basic understanding of the mechanics of business management, covering finance and accounting, supervisory and coaching skills, time management, organizational design, marketing and sales. As business schools focus more on the tactics and strategies of business management, graduates sometimes lack the necessary understanding of human nature, philosophy and psychology that would enable them to lead the people-side of change and become leaders both in business and in their communities.

Is this trend visible in business today? In a study¹ with more than 300 companies involved in major change, study participants cited the lack of

¹ Best Practices in Business Process Reengineering, Benchmarking Report, Prosci, 2002.

change management as the number one obstacle to success. Few, if any, companies in this study complained they lacked creative employees, good coaches, financial analysis skills, project management skills, strategy development capabilities, marketing talent or the ability to create a vision for the future. Too often they could create the solution but could not effectively implement the change. They experienced employee resistance, productivity loss, turnover, schedule delays and cost overruns. In some cases, the changes failed completely.

What is change management? Change management is applying techniques and tools to manage the people-side of change to achieve the desired results with minimal disruption or negative side effects.

A simple and straightforward model to understand what it means to manage the people-side of change is **ADKAR**^{®2}. The ADKAR model is a results-oriented framework reflects the sequence and building blocks for managing change including:

- **Awareness** of the need for change.
- **Desire** to participate in the change.
- **Knowledge** about how to change.
- **Ability** to implement the change.

² Hiatt, J. M., The Perfect Change, Prosci Research, 1999.

- **Reinforcement** to sustain the change.

Let's briefly examine each element of the model.

If I were to ask you to move your office to the other side of the building, what is your first question?

When faced with change most people first ask "Why?" As human beings, we have an awareness of our surroundings and how changes will affect us. Along with this awareness of our surroundings, we have what some have called *inalienable rights* or *natural rights of mankind* related to choices we make.

"Under the law of nature, all men are born free, every one comes into the world with a right to his own person, which includes the liberty of moving and using it at his own will. This is what is called personal liberty." – Thomas Jefferson: Legal Argument, 1770. FE 1:376

"...all men are naturally in...a state of perfect freedom to order their actions and dispose of their possessions and persons as they think fit, within the bounds of the law of nature, without asking leave or depending upon the will of any other man." John Locke, The Second Treatise of Government

This inalienable right or natural right of mankind is often called *free will, liberty or freedom*.

When employees are asked to change, we are really asking them to change how they work and what they do.

Their "free will" asserts itself in the simple question, "Why?" It is our nature as free and independent thinking individuals to become aware of the reason a change is needed so that we can determine the impact the change will have on us.

Building this **awareness of the need for change** is the first and foremost responsibility of a business leader who chooses to lead change. Building awareness includes sharing why the change is necessary, what created a need for change, what is the risk of not changing, and what might happen if a change is not made.

What is your reaction to pressure to change when you lack awareness of why the change is needed? Is it resistance, an urge to fight back, or perhaps to ignore the change?

What we often interpret in employees as apathy, unwillingness to change, or a rigid culture is often nothing more than their inherent reaction to pressure to change

without awareness. We each have to evaluate the situation for ourselves and make our own decisions as to how we will participate in change.

Awareness of the reason for change is the first element of the ADKAR model. The second building block is the outward expression of free will as reflected in a person's *desire to change*.

We demonstrate free will through our individual choices and decisions. A business manager faces a unique challenge when it comes to leading the people-side of change. That challenge is creating a **desire to participate or support the change**.

A business leader's greatest challenge is to create and demonstrate the necessary motivating factors that result in employees choosing to support the change. These include a complete spectrum of factors that can influence an employee's choices. In order from positive-to-negative factors to change, they include:

- Hope in the future state
- Trust and respect for leadership
- Incentives or compensation
- Acquisition of power or position
- Career advancement
- Affiliation and sense of belonging
- Enhanced job security

- Imminent negative consequences
- Loss of status or social standing
- Discontent with the current state
- Risk of job loss

Can you force change without the awareness and desire of those subject to the change?

The answer is yes. Can this be achieved without consequence? The answer is typically no. The consequences as demonstrated in repeated studies within private business and the public sector are:

- Strong employee resistance
- Delayed or failed changes
- Drop in productivity below critical thresholds
- Turnover of valued employees
- Negative impact on customers
- Loss of respect and trust in leadership

These consequences directly translate to higher costs, lower revenues and poor customer service – exactly the opposite of what we teach MBA's and business leaders to achieve.

Effective leaders of the people-side of change recognize this basic human truth around free will and freedom of choice.

They begin every change by building **awareness** of the need for change and

creating a **desire** to support and participate in the change. Awareness and desire are the first two elements of the ADKAR model.

It is important to remember that managers and business leaders have direct control over **awareness**, and only indirect influence over an employee's **desire** to change.

When awareness and desire to change are present, the acquisition of knowledge is the next highest priority.

Knowledge and learning are universal. You'll be surprised to hear that the fastest growth in Internet usage is among adults 55 and older. Why? In many cases, the required changes relate to improving health and changing lifestyles. The Internet provides a knowledge base that exceeds anything we have ever had before. The quest for knowledge is timeless and ageless. Communication, in some cases, cannot come fast enough. "When, what, where and how" – these are the urgent and compelling questions that drive a thirst for **knowledge about how to change**.

This thirst for knowledge includes training and education programs, ongoing communication and ready-access to information. This knowledge is critical to

understand what is changing, what the future will look like, how to change, and how I, as an individual, will fit into the change.

Especially in a time of change, knowledge is power. How that power is used reflects the current values and culture of an organization.

Open and forthright management styles foster the sharing of knowledge and encourage employee participation. Tightly controlled, strongly hierarchical management structures tend to keep information close to the vest and minimize employee participation in the decision-making process.

The consequences of withholding **knowledge** can be lack of buy-in, distrust and resistance from employees.

Employees, for the most part, want to contribute to the organization to which they belong. This need to make a meaningful contribution is inherent in our desire to realize purpose in our lives and in our work.

When change is taking place, what follows knowledge is the **ability** to act on new information and effectively contribute in the changing environment. This may be accomplished by applying new skills and knowledge to a new tool or system, by

following a new process or procedure, or by adopting new values. **Ability** is the extension of knowledge into an action or behavior in support of the future state of the change.

Leaders of change can foster ability through coaching, mentoring and ongoing feedback processes to employees.

Employees will need help breaking old habits and developing new skills. This process takes time and requires patient and constant leadership. In some cases, barriers to **ability** may be physical or psychological challenges. In some cases these challenges may be overcome, and in others they may not. Not every person can develop the required abilities of the new environment.

Ability follows **knowledge** as the fourth element of the ADKAR model.

The final component in the ADKAR model is reinforcement. Our need for recognition and appreciation is a companion to our need to contribute and to feel a sense of accomplishment. People want to be appreciated and recognized for the value they provide.

Reinforcement is providing the recognition and appreciation to reward the

successful efforts of implementing change. This could range from a personal expression of thanks and recognition for a job well done to organization-wide celebrations of major change milestones.

In the absence of reinforcement, employees will revert back to old behavior.

Leaders of change must understand that change is difficult and takes time. If this effort is not rewarded, then the overall process of change is not cemented into the organization and employees will revert back to old behaviors. This is especially true when problems are encountered during the change that do not match what employees were taught in training. Individual reinforcement and overall celebration of successes are essential ingredients of the change process.

Reinforcement represents the final element of the ADKAR model.

The ADKAR model has endured and become one of the most requested models for managing change from the Change Management Learning Center.

This model strikes a chord that relates to several basic human truths about people. **Awareness** and **Desire** are requirements to satisfy the inalienable right that “I am in control of myself,” and that my *free will*

and *right to choose* are inherent in my value of self. The quest for **Knowledge** is shared in every culture and at every age, and represents the primary force that distinguishes us from the other creatures on this earth. **Ability** reflects our need to make a meaningful contribution, both at work and home, and to apply our knowledge for the good of others. This contribution enhances our perception of value and self-worth. **Reinforcement** is the fundamental human need to be wanted and appreciated. Recognition and acknowledgement of our contribution completes the cycle.

So what is change management?

Change management is the effective application of leadership tools to facilitate employees to achieve each element of the ADKAR model, so business results are realized with a minimum amount of disruption to the business (see diagram in Appendix A).

These leadership tools include:

- **Communications**
- **Training**
- **Coaching**
- **Sponsorship**
- **Resistance management**
- **Reward and recognition**

Change management is the systematic application of these tools by leaders in the public and private sectors to realize successful change.

What steps can you take to build change management competency in your business leaders?

1. Build awareness of the need for change management within your organization and with your clients.
2. Communicate the benefits of effectively managing change to the organization and create a desire to build change competency.
3. Procure basic reading material for your organization or organize structured training in the area of change management to increase knowledge in this area.
4. Begin to use change management on your change projects.
5. Celebrate successes and recognize the accomplishments of your business leaders.

Suggested resources:

Change Management: the people side of change (18.95)

Employee's Survival Guide to Change (\$14.95)

For advanced materials:

Change Management Toolkit (\$349)

Change Management Pilot (\$449)

Go to: www.change-management.com for more information.

Appendix A

Mapping of Change Management Tools to ADKAR Model

For more information see the complete ADKAR series at:

www.change-management.com/tutorials.htm

