

THE CHANGE
CHAMPION'S
FIELD GUIDE

FOREWORD BY W. MARKER BURKE, PH.D.

**THE CHANGE
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Strategies and Tools for Leading Change in Your Organization

SECOND EDITION

THE CHANGE
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Navigating the White Water of Organization- Wide Change

Best Practice Principles for Change Management

William Q. Judge and R. Steven Terrell

Every organization is confronted with complex and dynamic change challenges, many of which are rushing toward the organization at an increasingly fast pace. Most organizations passively react to change that is forced upon them only when they have to. Some organizations proactively attempt to shape their futures in an attempt to avoid an oncoming crisis or in pursuit of entrepreneurial opportunities. This chapter provides some concepts and skills that change leaders may want to consider that will improve their chances of success in leading organization-wide change initiatives, both reactively and proactively.

REASONS FOR CHANGE INITIATIVE FAILURE

While estimates vary, most observers agree that the majority of organization-wide (strategic) change initiatives fail. The general estimate is that 70 percent of these major change initiatives fail to meet their objectives (Beer & Nohria, 2000). Listed below are some reasons why change management success is so rare and failure is so common, in our experience. Building on Peter Vaill's (1989) previous ideas, we use the navigation of white water rapids as a metaphor for thinking about all that can go wrong when attempting to bring about change in an entire organization.

Inadequate Preparation for Change

Whenever a group of people gets together on an inflatable raft to run some white water rapids, it is common practice for the guide or navigator to get to know his or her crew ahead of time, to demonstrate proficiency in steering the raft so that some confidence is gained, to discuss the upcoming trip and prepare the crew for the journey ahead, to practice in calm waters before entering the white water, and to lay out a general plan for working the river together. Inadequate preparation for undertaking this journey together can cause unnecessary injury(s), or even death during the subsequent trip.

Too many change initiatives begin with inadequate preparation. While it is conceivable that an organization is "over-prepared," this is rare in our experience. Successful change begins with a careful examination of the organization's strategic situation. Thinking deeply and discussing extensively about such questions as: How is the environment changing around our organization? What overall strategy is required to address environmental changes? Are the strategic objectives for the change clearly stated and measurable? Is the strategic intent of the change aligned with the overall organizational strategy? What is the capacity of the organization to execute this strategy successfully?

External consultants are often brought in to help deal with these non-routine decisions. They can be helpful in challenging the organization to think about the environment and clarify the organization's strategic intentions due to their outsider status and non-political orientation. Furthermore, they can be reasonably objective in assessing the organization's capacity for change. However, they often lack the nuanced understanding of the environment and organization that comes with living in an environment and organization for longer periods of time. Furthermore, they often lack credibility with the overall organization to lead a change

initiative due to their outsider status. As such, external change consultants have advantages and disadvantages in helping to prepare for change.

After clarifying the organization's strategic intent, it is vital to identify and secure sponsorship for the change initiative. A lack of demonstrated, visible sponsorship by senior leaders who have the credibility, authority, and commitment to initiate the change and to dedicate resources to plan and carry out the change will very likely lead to an incomplete or ineffective implementation that fails to produce the desired results. Change sponsors must sometimes be educated to fully understand the implications of a change initiative, ensuring they grasp what will and will not change, the outcomes expected to be achieved as a result of the change, and how much time and effort will be involved in achieving the desired outcomes. Additionally, change agents may require support in developing and articulating the business case for the change in a compelling manner in order to generate enthusiasm, support, and momentum to change.

Before launching a change initiative, a careful assessment of the organization's overall capacity to change is necessary. The first step in this assessment is the consideration of the organization's change history. Launching change initiatives without an understanding of previous change initiatives and their success or failure is a prescription for failure (Beer & Nohria, 2000; Bishop, 2002; Kotter, 1996).

Next, change agents must assess the organization's readiness for change. Readiness for change reflects the collective attitudes and abilities of an organization or organizational unit to undertake organization-wide change (Armenakis, Harris, & Mossholder, 1993). When an organization is simply not ready to undertake a major change, the change has to be deferred and/or lengthened. Sometimes, just preparing the organization to be ready for change is an essential step that is neglected by many organizations.

A third essential step in preparing for organizational change is the identification and development of change agents to lead the change initiative. Organizational change is physically, intellectually, and emotionally challenging (Kanter, 1985; Kotter, 1996). The change agent must possess the drive, integrity, and self-knowledge to lead the change. If the organization does not know who its change agents are, or if the designated change agents are not aware of their own blind spots, reactions to stress, limitations, and developmental goals, then the change initiative is not likely to succeed. Clearly, the more change agents identified and under development, the better the chances of success for the organization.

Unfortunately, most organizational leaders do not know who their change agents are, nor do they know how to develop their leadership capacities.

After identifying the strategic intent and potential change agents for bringing about change, the organization then needs to develop a change plan (Bossidy & Charan, 2002). A change plan is a template that specifies what the change objectives are; the actions that must be taken to achieve the change objectives; the pace, timing, and sequencing of the change to achieve the desired results; the risks that are likely to impact the success of the change and how they may be managed; who the change agents are; and the resources needed to bring about change. Specifically, it entails a time-sequenced approach to bringing about change using available change levers over a pre-specified time period. In our experience, most change plans underestimate the time and resources required to bring about change and are much too vague about what the change objectives are and what change levers will be utilized. As a result, many change initiatives fail due to inadequate planning for the future.

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Flawed Change Implementation Activities

When the raft enters the rapids, communication between the navigator and crew is essential. Failure to issue orders, explain reasoning, listen to the crew's perceptions, and demonstrate credibility as a competent navigator with utmost integrity often leads to problems. In addition, the navigator and rafters need to be prepared to adjust the initial plan as the river presents new and unforeseen challenges, such as rocks, poisonous critters, drop-offs, and violent eddies. When the rafters are becoming complacent, the navigator must challenge that complacency. When the rafters are overwhelmed, the navigator must encourage their hearts. There is no formula for success when navigating a wild river. It takes focus on good group dynamics on the boat to navigate it well.

Adequate change preparation is necessary, but not sufficient to bring about successful organizational change, similar to white water rafting. Successful change also involves doing things, changing behaviors, adjusting the change plan, and

learning (Vaill, 1998). Change agents must be prepared to abandon or revise the change plan as the change initiative unfolds. Driving change through an organization is like navigating white water on a raft—it is a journey that requires careful preparation but no amount of preparation can assure successful navigation of dangerous white water rapids.

Change agents must be prepared to abandon or revise the change plan as the change initiative unfolds.

There are many things that can and do go wrong during the change implementation process. One common problem is that the change agents take a formulaic approach to implementing change. Change is simply too unpredictable to have a complete plan for dealing with it. So just as the lack of planning and preparation can lead to problems, so too can rigid adherence to a pre-established plan have negative consequences.

Another common problem is that change agents rely too much on some change levers, while ignoring the benefits of other levers. There are a wide variety of change levers, including such things as technical levers (e.g., restructuring the organization), political levers (e.g., promoting an early adopter of the change), cultural levers (e.g., putting up signs announcing the change), training levers (e.g., sending a group of employees to enhance their skills and understanding associated with the proposed change), and communication levers (e.g., holding a town hall meeting to discuss the change). In our experience, change agents often rely too much on one category of change levers to the exclusion of others. This approach fails to consider the systemic nature of change and, as a result, often fails to convince the larger organization that the change is worthy of consideration and adoption.

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A third common problem is that change agents focus so much on the tasks being undertaken that they neglect to monitor their credibility with the overall organization (Kouzes & Posner, 2003). Leadership is a relationship between leaders and followers, and many leaders fail to focus on their relationship with

followers during a change initiative. In the absence of knowledge and awareness of the state of that relationship, leaders may lose credibility with the rest of the organization. As a result, even if the proposed change is viewed favorably by the rest of the organization, if the change leader lacks credibility the change may not be adopted.

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A fourth common problem is that sponsors of the change initiative become disengaged from the change process or unreasonably impatient for results (Bossidy & Charan, 2002). Top managers often sponsor subordinates or promising middle managers to lead the change initiative, particularly in medium- and larger-sized organizations. While this is a perfectly reasonable activity, the sponsors of the change need to provide political cover and support for their change leaders. At a minimum, they need to keep informed of the change initiative progress, and at a maximum, they need to become personally and publicly involved with the change initiative. Unfortunately, too many senior executives detach from the change initiative and fail to provide public support for the change leader(s) at critical times in the implementation effort. When this happens, the rest of the organization notices the lack of sponsorship and the change initiative becomes marginalized.

A common fifth and related implementation problem is that the change team lacks the power to challenge senior leaders or their peers to reconsider attitudes or behaviors that are blocking progress (Cohen & Bradford, 2005). When “influence without authority” tactics are blocked, as they sometimes are, appeals to the senior-most executive in charge need to be made to be involved directly or indirectly. Sometimes the change team fails to make the appeal; other times the change sponsor fails to hear or act on the appeal. Either way, powerful interests are often challenged to change during an organization-wide change initiative and these interests often need to be confronted either privately or publicly by the change sponsor(s). Of course, all bets are off when the senior-most executive opposes the change initiative, which happens sometimes as well.

A sixth and final common implementation problem is the failure to learn over time (Vaill, 1998). Just as it is important to have a plan for pursuing the change,

the change leaders need to be ready to abandon the plan as new information and circumstances arise. The ability to adapt to changing circumstances is paramount, and sometimes those leading the change become too focused on others changing and adapting without considering how they must change and adapt themselves. As Rosabeth Moss Kanter (1985) astutely observed: “Change is a threat when done to me, but an opportunity when done by me.”

Inability to Anchor Changes

At the end of the white water journey, the raft has to be carefully pulled to shore and anchored securely. At the end of a wild journey down the rapids, the rafters onboard are often tired and eager to get to shore. Hence, it is not uncommon for boaters to become injured when they step out of the boat, or they sometimes fail to adequately secure the boat and its equipment. This is particularly true when the surrounding weather is adverse. However, the trip is not complete until the boat is securely anchored to something stable and everyone exits the boat safely. If it isn't carefully secured and the exit isn't safely done, the boat can drift back into the white water and the unmanaged boat will careen down the river and eventually be lost.

Similar to white water rafting, change leaders must exercise great care just when the organization is focusing on other upcoming events and overcome their tiredness to make sure that the changes made during the initiative firmly root. Given the relatively short attention spans of the investment community and senior leaders these days, pronouncement of a successful change initiative is often made much too soon and/or focus of energy and resources are diverted to other organizational challenges prematurely (Abrahamson, 2000). When this happens, the organization often drifts back to its previous state, not unlike the dieter who abandons a diet after considerable weight loss. When the organization reverts back to a previous state and fails to anchor the change in the organization's culture, the organization is often worse off than if it never had attempted to change in the first place (Lawler & Worley, 2006).

PRINCIPLES FOR BRINGING ABOUT ORGANIZATION-WIDE CHANGE

Based on our combined four decades of experience in assisting organizations to change and in reading the extensive organizational change literature, we would like to offer a number of principles to guide future change initiatives that may

improve your chances of success. Unfortunately, there are no formulas to prescribe or a handy checklist to offer. However, being mindful of these essential principles can help you avoid a number of the common pitfalls discussed earlier.

Principle 1: Assess the Change Situation Carefully Before Initiating Any Change

Start with an understanding of the environment surrounding your organization and the strategic imperatives confronting it. Without a “big picture,” or strategic understanding of where the organization needs to go in the future, the change is not likely to succeed. The change leader must explicitly identify the strategic intent behind the change initiative, ensure it is aligned with the organization’s strategy and direction, and articulate a compelling vision of the future. This includes a clearly defined business case for change that describes what must change and the rationale for the change, in terms that organizational stakeholders and members will find believable and convincing.

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Next, think deeply about the specific changes that must be made in the organization’s business processes, as well as employees’ and leaders’ skills, attitudes, behaviors, and even culture, in order to make that strategic vision a reality. Consider the impact of the change on the organization’s supporting infrastructure, including information technology, organization structures, and human resource management (e.g., compensation, incentives, career progression, benefits, etc.), and identify how each component will need to adapt or shift in order to enable the organization to achieve the objectives of the change. Understand the history of previous change initiatives and holistically assess the organization’s current capacity for change by considering questions such as:

- Has the organization successfully implemented similar changes or changes of the same magnitude in the past?
- Has the organization failed to successfully implement a similar change initiative, and what was learned from the experience?

- Has failure in change implementation created barriers or obstacles that should be addressed prior to launching this change?
- What other major initiatives are currently under way, or will be under way, during the same time period that may compete for attention, time, or resources with the change initiative?

Effective change requires both leadership as well as management.

Finally, identify potential change leaders who command the respect of the organization and have the emotional intelligence, drive, and skills to lead the change initiative. Effective change requires both leadership and management. Change leadership involves creating alignment within the organization, forging teams intent on achieving common goals, motivating and inspiring people, empowering others to act on the vision, initiating culture changes to accelerate business results, and taking action. Change management involves planning for and creating short-term wins, preparing for and bringing about longer-term change, taking accountability for reaching organizational goals, communicating with relevant audiences to bring about change, coaching and supporting employees through the transition to enhance their productivity and well-being, and creating opportunities for employees to participate in planning for and implementing change.

Perhaps the most important aspect of this principle is to understand the organization's capacity for change (Judge, 2010). Specifically, organizational capacity for change refers to eight dimensions of organizational readiness to change, including (1) trustworthy leadership, (2) trusting followers, (3) capable change agents, (4) involved mid-managers, (5) innovative culture, (6) accountable culture, (7) ability to think systemically, and (8) communication systems. Most organizations are relatively developed on some of these dimensions and relatively undeveloped on other dimensions. A relatively simple organizational diagnosis of each of these dimensions across all three levels of management can increase the chances of change initiative success. A graphical depiction of these eight dimensions is displayed in Figure 4.1.

Principle 2: Design an Initial Change Plan to Fit the Change Situation

A change plan is simply a tool for documenting decisions and communicating those decisions to others who will be involved with helping to implement the



Figure 4.1. The Eight Dimensions of Organizational Capacity for Change

Source: Judge, 2010. Used with permission.

change initiative. The plan should take into account both the content—“what” will change and “who” will drive the change—as well as the context—internal and external factors that may have an impact on the approach, speed, timing, and pace of change (Greiner, 1998). For example, an organization planning a major change to the merit and bonus pay system may need to consider how previous changes have been handled and received, how competitors and others in the industry have managed the same kind of change, and what other change initiatives (such as product launches, software system change-overs, or certifications being sought) are already planned for the same time period. Consideration of both content and context of the change helps to “inform” the change plan, enabling change leaders to mitigate risks and to ensure that the change ends in success (i.e., measurable in terms of business results and expanded organizational capacity for change). Consider all contingency factors that might influence the success of the change initiative and identify the timing and actions to address those contingencies. In short,

consider both content and context when designing a change initiative (Balogun & Hailey, 2008).

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Two common contingencies in every change situation is the urgency to produce results and the relative power of the change agent. If the organization is in crisis and the change is being driven by the senior-most executive in the organization, the approach to change can be fairly disruptive and have a relatively short timeline. If the organization is meeting performance expectations and change is being driven by middle managers, change tactics must be non-disruptive and have a relatively long timeline. Of course, there might be other contingencies to consider as well. The plan need not be too specific in detail and timing, but some specificity will enable the change team to anticipate obstacles in advance.

Table 4.1 contains a conceptual framework to consider when planning a change initiative. It is useful to think of the change tactics to be employed within the three phases of the change. The first phase, the mobilization phase, involves making the organization aware of the proposed change as quickly as possible given your current circumstances. When there is sufficient awareness within a critical mass of the organization, you need to help the organization to begin to move toward the change vision through experimentation and eventual adoption. When there is a critical mass of adopters of the proposed change, the organization moves into the sustain phase, where the changes are then institutionalized and fully embraced. Change tactics need to be carefully planned and sequenced according to the change situation as much as possible so that assumptions are articulated, expectations are created, and tactics are communicated among the change team.

Principle 3: Communicate a Compelling Vision of the Benefits of Adopting This Change

The change vision needs to be clear and as visual as possible (Kotter, 1996). Gone are the days of ordering the employees of an organization to do something differently because of the senior leader's authority. Authority in today's organizations gains you a megaphone for your message, but strategic leaders still need to craft a

Table 4.1. A Conceptual Framework for Planning a Change Initiative

	Mobilize Phase	Movement Phase	Sustain Phase
Change NOT Perceived to Be Urgent	<ol style="list-style-type: none">1. Build/maintain change agent credibility first;2. Build understanding of change targets;3. Create awareness of proposed change with minimally disruptive levers of change.	<ol style="list-style-type: none">1. Maintain high credibility of change agent;2. Attempt to create small wins with interested targets with moderately disruptive levers.	<ol style="list-style-type: none">1. Maintain high credibility of change agent;2. Solicit broad acceptance with rest of the organization using moderately and highly disruptive levers.
Change IS Perceived to Be Urgent	<ol style="list-style-type: none">1. Build/maintain change agent credibility;2. Create awareness of proposed change;3. Attempt to create small wins with interested targets with moderately disruptive levers.	<ol style="list-style-type: none">1. Maintain high credibility of change agent;2. Solicit broad acceptance with rest of the organization using moderately and highly disruptive change levers.	<ol style="list-style-type: none">1. Maintain high credibility of change agent;2. Utilize all levers to solidify change adoption.

Source: Judge and Hill, 2011.

meaningful message that touches the hearts and minds of the listeners (Kotter & Cohen, 2002). Workers want their work to be meaningful; they want to care about the mission of the organization. Attention spans are relatively short; a compelling and inspiring vision has to cut through all the clutter and grab the attention of significant portions of the organization. When communicating the change vision, craft the message to ensure it begins with the end in mind, defines the end of the change journey in terms of target goals, and makes clear statements about the scope, purpose, and benefits of the change. The message needs to speak to as many folks in the organization as possible, yet be specific to the organization's capabilities and context.

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After determining the vision surrounding the change initiative, use a wide variety of change levers to communicate that vision. Obvious change levers are e-mails, town hall meetings, and website announcements. Less obvious change levers are pilot projects, training programs, and bringing in experts to speak about the virtues of adopting such a change. Too often, the change vision is announced early in a project through multiple channels and then it is never revisited. Inadequate communication and reinforcement of the change vision is a leading cause of failure in change initiatives (Kotter, 1995). Progress toward the vision in the form of short-term “wins” needs to be announced; success stories need to be told; and adopters of the change need to be heralded. Remember that you are competing for the organization’s attention throughout this process.

Principle 4: Monitor and Build or Maintain the Credibility of the Change Leader(s)

Always be aware and mindful of the credibility of the change leaders throughout the change process (Kouzes & Posner, 2003). This is always important, but it is especially important when middle managers are driving the change. Some change levers will only work when the change leader has sufficient credibility with the rest of the organization. For example, it just is not credible for a middle manager change leader to announce a change in the organization’s compensation system keyed to adopting the proposed change early in any change initiative. Such profound and disruptive changes only succeed when the change agent has sufficient credibility with the entire organization first.

Clearly, not every change tactic will succeed. When some tactics fail, the change leaders lose some credibility with the rest of the organization. With each loss of credibility, the change leader loses potential change levers to pull, particularly the highly disruptive levers (such as organizational restructuring). Because of this, the credibility of the change leader rises and falls over the course of the change implementation process. Knowledge and awareness of the change leader’s credibility with the rest of the organization is paramount. When credibility is too low, the credibility of the change leader must be built up in politically sensitive ways.

It is wise to slow down or suspend the change program when this occurs until credibility of the change leader can be re-established.

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Principle 5: Rely on "Influence Without Authority" Change Tactics as Much as Possible

Today's developed-economy organizations are relatively lean and flat. They are generally comprised of well-educated individuals who respond better to being informed and respectfully influenced to adopt a particular change than to being directed and coerced to do so. Granted, under certain circumstances such as an emergency requiring rapid, decisive action, a more directive, "command and control" approach to change may be more appropriate than an approach that relies on influence and collaboration. However, in situations that are not as pressing, or when change requires widespread understanding, buy-in, and support by stakeholders, and when the people who are most impacted by the change must be willing, even enthusiastic, participants in the change in order for it to be adopted successfully, an approach involving participation and persuasion is likely to be more appropriate. Since organization-wide change usually cuts across many different functions, departments, and even divisions within an organization, an ability to influence peers to adopt the change is often paramount. Even senior executives need to exercise influence without authority as much as possible due to the declining power of authority to command change.

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In this Internet age, the network has become a defining metaphor for life in the 21st century. As might be expected, networks are increasingly important for bringing about change (Johnson, Parise, & Cross, 2007). Obviously, electronic networks can be useful means for communicating the value of the change. However,

social networks are also key. Social networks are formal and informal interpersonal relationships between people that can be used to leverage change initiatives, or they can be used to thwart change initiatives. Whenever a change initiative is formally announced in an organization, one of the first things that employees do is privately talk with their peers and/or direct supervisors about “How will this change affect me/us?” Anticipating this very natural and human tendency is fundamental to successful change. It starts with understanding what networks exist within an organization and it ends with a focus on persons who are central to a formal or informal node within a network.

The law of reciprocity is central to all influence without authority tactics. Allan Cohen and David Bradford (2005) literally wrote the book on this subject. This book provides insights into how to lead people who don't report to you, how to build effective relationships and create allies within an organization, and how to influence your boss, peers, clients, and other partners to successfully lead a change program. Read this book and practice it. It works.

Principle 6: Revise the Change Plan as the Change Initiative Unfolds

Recognize that change within an organization happens one person at a time (Bishop, 2000), but change targets vary in their receptiveness to change. In general, the response of change targets to any particular change proposal will take a bell-shaped curve response. As shown in Figure 4.2, roughly one-sixth of your organization (the “early adopters”) will readily adopt any proposed change, one-third of your organization (the “fast followers”) will cautiously adopt the change when they see what happens to the early adopters; another third (the “late adopters”) will only adopt the change when they believe that everyone is moving in this direction; and a final sixth of the organization (the “resisters”) will avoid and/or obstruct adopting the change regardless of what you and others say or do.

However, recognize that sometimes your circumstances change while implementing a change initiative. For example, some change initiatives are rolled out with a high urgency assumption only to discover that the environment becomes more benign and the organization has more time to adopt the change. In contrast, sometimes the environment will be more hostile, and this hostility makes the change initiative more essential to survival. In this case, the change plan needs to be accelerated and the change tactics need to become more disruptive to the organization. Similarly, some change initiatives may start with a change leader who lacks the skill and/or energy to drive the change, and this individual needs

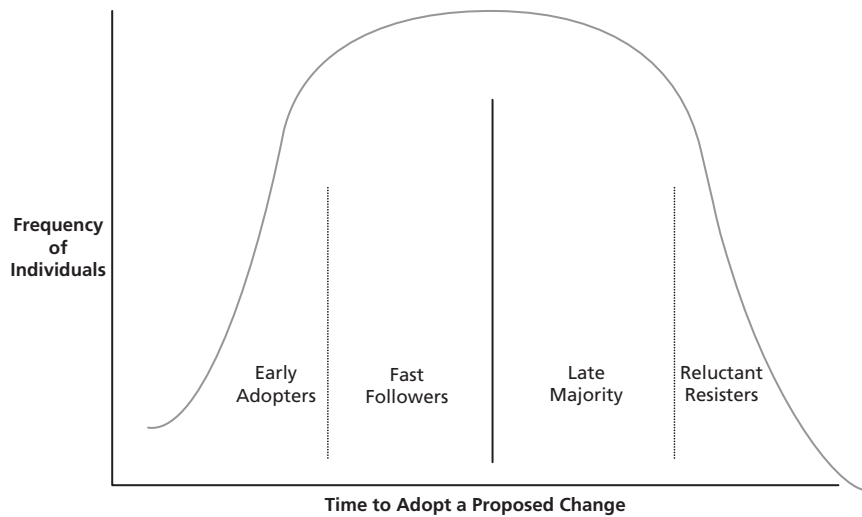


Figure 4.2. Typical Normal Distribution of Employee Reactions to Proposed Change Initiatives

Source: Rogers, 2003.

to be replaced. When that happens, the change plan has to evolve and change. Of course, assumptions about the overall organizational capacity for change may prove to be wrong and that has to be incorporated into the change tactics employed. The point is that the change plan must evolve over time and become dynamic to effectively address a complicated and evolving change situation; for these instances, good communication is essential.

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Principle 7: Be the Change You Seek in Others

Gandhi’s famous quotation for this principle applies equally well for organizations (Nair, 1994). Nothing kills a change initiative faster than failure to “walk the talk” on the part of the senior leaders in the organization or the change leaders promoting the specific changes. As such, “modeling the way” is essential to any successful change initiative (Kouzes & Posner, 2007). In our experience, the typical top

management team varies considerably in terms of commitment to the new course of action suggested by the change vision. Often, part of the top management team is neutral or hostile to the adoption of the change initiative. While there are sometimes good reasons for this neutrality or hostility, these reasons must be addressed *prior* to commitment to the change initiative because of the important symbolic role played by the top management team. Of course, the same principle applies to any change agents outside of the top management team as well.

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PRACTICING THE PRINCIPLES THROUGH SIMULATED EXPERIENCE

Because organizations are continually confronted by change and change management expertise is relatively scarce, an online computerized simulation was designed by William Judge and Linda Hill (2011) in order to provide practice in bringing about organization-wide change. The simulation is published by Harvard Business Publishing and is called *Change Management: Power and Influence*. The simulation is a single-player model built around the principles of successful change identified in the previous section.

Change Management Context

The change agent attempts to bring about organization-wide change in Spectrum, a medium-sized, fictitious sunglasses manufacturer based in California. Spectrum has just emerged from a recession, and the change being considered is whether to refocus its products and processes around becoming more environmentally sustainable.

There are four scenarios with which the change agent may be confronted, and the change dynamics are different depending on the change scenario. In each situation, the change agent is given twenty-four months to attempt to bring about change. The first scenario is one in which the firm's existing customers are not clamoring for more environmentally sustainable products, but they are offering "weak signals" that this could be strategic opportunity (Shoemaker & Day, 2009). In this situation,

a middle manager has offered to lead the change initiative and is sanctioned by the top management team to do so. In the second scenario, the organization is again confronted by “weak signals” to adopt this change, but in this case the CEO is leading the change initiative. Consequently, these first two scenarios offer players the opportunity to learn about how varying the power of the change agent influences change when the organization does not perceive the change to be urgent.

The third and fourth scenarios present an opportunity to learn from more urgent change situations, which is a more common change situation (Kanter, 2008). Specifically, the firm’s dominant customer is demanding that Spectrum’s products and processes become more environmentally sustainable in a relatively short period of time or they will lose the customer’s business. Hence, the organization is on high alert; it is relatively easier to bring about change in these situations. Once again, the scenarios vary by the relative power of the change agent with one scenario involving a middle manager (low power) and one involving the CEO (high power).

Change Management Process

The objective of the simulation is to get a “critical mass” of adoptions within the management team of Spectrum, a fictional sunglasses company based in California. The management team consists of twenty individuals within the top, middle, and front-line management ranks of the organization. The simulation administrator can set the critical mass to be high or low, depending on how complex he or she wants to make it for the players.

During each decision period, the change agent must select one of eighteen change levers. Specifically, there are three change levers for each of the six categories of change levers discussed earlier; these levers are listed in Table 4.2. The effectiveness of the change levers depends on three factors: (1) the overall urgency of the change situation, (2) the perceived credibility of the change agent, and (3) the stage of change in which the organization is operating. In general, the higher the perceived urgency of the change situation, the easier it is to bring about change and, therefore, more change levers are effective. Similarly, the higher the perceived credibility of the change agent, the more change levers are at his or her disposal. And finally, the more advanced the organization is in adopting the change, the more change levers that can be effective.

After each change lever is pulled by the change agent, the player receives an overall message on the effectiveness of the action and is encouraged to go to an overall dashboard that reports the influence of that change lever on the change targets and

Table 4.2. Change Levers for the Change Management Simulation

Lever and Category	Lever Description and Cost
01. Walk the talk (Credibility)	When the change agent's actions are aligned with the change initiative, effective change is much more likely. If properly executed, pulling this lever can increase the change agent's credibility as well as positively influence co-workers of the change agent. Cost: 2 weeks.
02. Gain CEO's public support (Credibility)	When the change agent lacks formal authority, obtaining public support from the CEO can be essential. If properly executed, pulling this lever can increase change agent credibility as well as positively influence change targets in the awareness state. Cost: 2 weeks.
03. Gain consultant's support (Credibility)	Bringing in outside experts can enhance the change initiative. If properly executed, pulling this lever can increase change agent credibility as well as positively influence change targets in the awareness and interest states to adopt the sustainability initiative. Cost: 2 weeks.
04. Conduct private interviews (Communication)	By conducting private interviews, important information is learned about the change targets' views about the change, their personal network and the relative merits of the change vision can be discussed. If properly executed, pulling this lever can positively influence four individuals to adopt the sustainability initiative. Cost: 1 week.
05. Issue e-mail notice (Communication)	E-mail messages to the entire organization helps convey the change vision and progress toward it. If properly executed, pulling this lever can positively influence employees in the awareness state to adopt the sustainability initiative. Cost: 1 week.
06. Hold town hall meetings (Communication)	Town hall meetings can communicate the change vision and provide two-way dialogue on its relative merits. Attendance at these meetings is usually voluntary. If properly executed, pulling this lever can positively influence employees in the awareness and interest states. Cost: 2 weeks.
07. Provide in-house skill-building (Training)	Some associates want to adopt a change, but they just do not know how. By providing in-house training, you expand trainees' capacity to adopt the change. If properly executed, pulling this lever can positively influence three individuals to adopt the sustainability initiative. Cost: 4 weeks.

(Continued)

Table 4.2. (Continued)

Lever and Category	Lever Description and Cost
08. Provide external skill-building (Training)	Sometimes associates want to adopt a change, but they just do not know how. By providing external training, you expand trainees' capacity to adopt the change. If properly executed, pulling this lever can positively influence three individuals to adopt the sustainability initiative. Cost: 6 weeks.
09. Conduct pilot project (Training)	Pilot projects are quick and relatively inexpensive ways of learning by doing. If properly executed, pulling this lever can positively influence an entire department to adopt the sustainability initiative. Cost: 6 weeks.
10. Post progress reports (Cultural)	Posting of progress reports is a common means of using visible cultural artifacts and symbols to redirect invisible cultural norms. If properly executed, pulling this lever can positively influence adoption of the initiative for those in the interest state. Cost: 1 week.
11. Tell a success story (Cultural)	Organizational storytelling is a relatively slow but effective way to challenge and redirect the norms and values of the organizational culture. If properly executed, pulling this lever can positively influence two listeners as well as their friends to adopt the initiative. Cost: 1 week.
12. Clarify organizational values (Cultural)	Organizational values are often unconscious guides to organizational behavior. By making these values more explicit, better alignment can be created. If properly executed, pulling this lever can directly influence task force members and indirectly influence everyone else. Cost: 8 weeks.
13. Build coalition of support (Political)	Negotiations to create political alliances can be crucial for obtaining commitment to a change initiative. If properly executed, pulling this lever can positively influence adoption of the sustainability initiative for the three coalition members as well as their friends. Cost: 4 weeks.
14. Recognize an adopter (Political)	Political power accrues to those who are recognized within organizations, and this sends a signal to others as to where the power is flowing. If properly executed, pulling this lever can positively influence adoption of the initiative for the advocates' friends and co-workers. Cost: 3 weeks.

Lever and Category	Lever Description and Cost
15. Privately confront resister (Political)	Resistance to change is to be expected in all change initiatives. However, sometimes this resistance is irrational and politically corrosive. If properly executed, pulling this lever can positively influence adoption of the initiative by the resister and his or her friends. Cost: 1 week.
16. Announce goals and deadlines (Technical)	Organizational goals and deadlines provide targets to aim for by its members. Organizational attention and focus are precious resources. If properly executed, pulling this lever can positively influence adoption of the sustainability initiative for the entire organization. Cost: 4 weeks.
17. Revise reward systems (Technical)	The reward system refers to the formal control system for recognizing and incentivizing desired behaviors, while discouraging unwanted behaviors. If properly executed, pulling this lever can positively influence adoption of the initiative for the entire organization. Cost: 12 weeks.
18. Restructure organization (Technical)	Organizational structure refers to the formal lines of communication and authority within an organization. If properly executed, pulling this lever can improve information flow such that support is built for the sustainability initiative by the entire organization. Cost: 16 weeks.

the overall organization. If the change lever doesn't work as expected, the credibility of the change agent declines. If the change lever does work, the change targets move toward adoption of the change initiative. When a sufficient number of change targets move toward adoption, the overall organization advances through the three stages of change (i.e., mobilization, movement, and sustain).

In addition to the overall dashboard, the change agent is given information on his or her overall credibility with the organization, as well as information about the personal and professional networks of the change targets. Just as in real life, the professional networks are clearly delineated by the formal authority structure within Spectrum. However, the much more powerful personal networks can only be determined through the pulling of specific change levers in the simulation. Furthermore, the change agent is also given detailed information about the effectiveness of each change lever in graphical form. In this fashion, the change agent can begin to learn how and why certain change tactics work while others do not. This information can be used to alter the change plan over time through learning and experience that come from playing the simulation.

Change Management Learning Outcomes

The change management simulation was designed to be administered by an instructor who is knowledgeable about change management practices and principles. Hence, the instructor selects the scenario or scenarios to be played, has access to insights about each of the players and overall session results, and is given guidance in the teaching notes and in the simulation for debriefing the overall learning experience.

In high-urgency scenarios when the change agent is the CEO (the easiest scenario), obtaining a critical mass of adopters operating under the standard simulation defaults is relatively easy, and normally 60 to 75 percent of the players will experience success. However, in low-urgency scenarios when the change agent is a middle manager (the hardest scenario), obtaining a critical mass of adopters is relatively challenging, and normally 40 to 50 percent of the players will experience success. A natural debriefing technique is to ask players who experienced success to report out on what they did that led to success, and encourage players who did not experience success to wrestle with why that might be so. The instructor, armed with information about how each player played, can then address learning principles not addressed with the initial discussion.

In our experience, simulation players with limited previous change management experience are often naïve as to the political realities surrounding change. As a result, this simulation experience can really challenge these future change leaders to learn how to bring about change prior to being given the opportunity, thereby enhancing the chances of success. In contrast, more experienced change agents who play this simulation are often challenged to unlearn previous bad habits that may have been learned from previous change experiences, which typically did not go well. In either case, the simulation is fun to play, and the questions and dialogue surrounding what works and what doesn't work is a valuable experiential tool for individually and collectively exploring the best practices associated with change management.

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