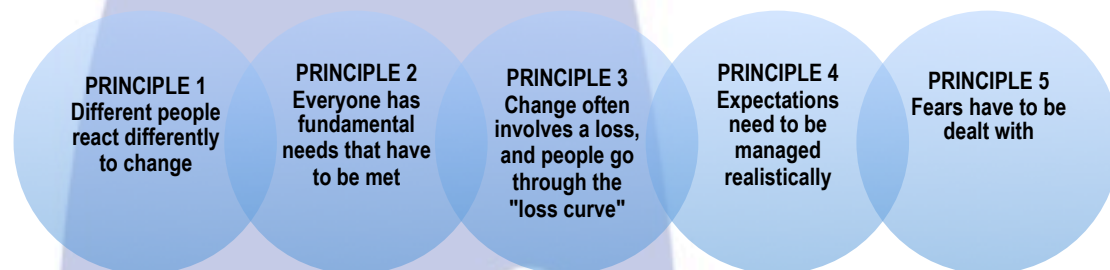


What is Change Management Theory?

Change management is a basic set of skills and knowledge that all leaders and managers need to be capable of implementing. Why? Remember the old adage 'Constant change is here to stay'. In this economic climate, even those whose jobs and organisations that are ordinarily impervious to change are being affected.

If you have change on the horizon or are in the middle of it, there are **five key principles of change** to keep in mind:



So, how do you deal with the 5 principles of change? Here are a few tips:

- Give people information - be open and honest about the facts, but don't give over-optimistic speculation. i.e., meet their need for openness, but in a way that does not set unrealistic expectations. This is vital.
- For large groups, produce a communication strategy that ensures information is distributed efficiently, regularly and widely to everyone. Otherwise the grapevine will take over and you will create distrust, confusion, and hurt, to name a few feelings; e.g. tell everyone at the same time.
- Follow the broad communication strategy with individual interviews to produce a personal support strategy for dealing with the change. Doing this will help your staff feel that you do recognise their individual reaction to change and that you want to deal appropriately with their needs wherever possible.
- Wherever possible give people choices to make and be honest about the possible consequences of those choices. i.e. meet their need to have some control and to be included.
- Wherever practicable, give people time to express their views and support their decision making; provide coaching, counselling or information as appropriate, to help them through the 'loss curve'.
- Change IS perceived as loss whether it is welcome or not. Where the change actually involves a loss, identify what will or might replace that loss - loss is easier to cope with if there is something to replace it. This will help ease some of the potential fears.

- Where it is possible to do so, give individuals opportunity to express their concerns and provide reassurances – this will go some way towards lessening fears.
- Keep providing good management practice, such as making time for informal discussion and feedback (even though the pressure might seem that it is reasonable to let such things slip - during difficult change such practices are even more important).

Where you are embarking on a large change programmes, you should treat it as a project – that's why it is Change Management, not change Leadership. But never forget that you are dealing with people and so your leadership skills must never go into the background. During the time of change there is great uncertainty so good project management will provide some good parameters. That means you apply all the rigours of project management to the change process - producing plans, allocating resources, appointing a steering board and/or project sponsor etc.

The five principles above should form part of the project objectives. When leaders or managers are planning to manage change, there are five key principles that need to be kept in mind:

Principle One *Different People React Differently To Change*

The following diagram represents a spectrum of change:

Stability ----- **Change**

Different people have different preferences for where they like to be on this spectrum. Some people like to be at the **STABILITY** end of the spectrum - they like things to be the way they have always been. Other people like to be at the **CHANGE** end of the spectrum - they are always looking for something different and new.

Problems arise when the individual's preferences differ from the situation they find themselves in. That is, if:

- a stability-oriented person finds that circumstances are changing quite rapidly, or
- a change-oriented person finds that everything is the same and there is nothing new

In these situations, the individuals involved can experience:

- strong dissatisfaction
- stress
- negative attitudes towards individuals with preferences at the other end of the spectrum (e.g.: distrust, dislike)
- resistance (to change, or to the status quo)
- intense emotions
- loss of rational judgment

People tend to resist, therefore, approaches on other parts of the spectrum than where they themselves prefer to be.

Principle Two *Everyone Has Fundamental Needs That Have To Be Met*

A famous psychologist called Will Schutz identified three basic needs that people have in interpersonal relations. These basic needs are also of fundamental importance in people's reaction to change:

- The need for control
- The need for inclusion
- The need for openness

Whilst the need for these can vary between people, in any change process there is always some degree of need for control over one's environment/destiny, some degree of need to be included in the process of forming the change that is taking place, and some degree of need for managers/leaders to be open with their information.

If a change programme fails to meet the control, inclusion and openness needs of the individuals affected by it then that programme is likely to encounter a range of negative reactions, ranging from ambivalence through resistance to outright opposition.

Principle Three *Change Often Involves A Loss, And People Go Through The "Loss Curve"*

The relevance of the "loss curve" to a change management programme depends on the nature and extent of the loss. If someone is promoted to a more senior position, the 'loss' of the former position is rarely an issue because it has been replaced by something better. But if someone is made redundant with little prospect of getting a new job, there are many losses (income, security, working relationships) that can have a devastating effect. There are many variations of the "loss curve". One is known as "Sarah" - that is, the individual experiences (in this order):

- S-hock
- A-nger
- R-ejection
- A-cceptance
- H-ealing

The common factors amongst all "loss curves" are:

- That there can be an initial period where the change does not sink in. For example, feelings may be kept high by the individual convincing himself or herself that the change is not going to happen.
- That when the loss is realised, the individual hits a deep low. The depth of this 'low' is deepened if the loss is sudden/unexpected.
- That the period of adjustment to the new situation can be very uncomfortable and take a long time. In the case of bereavement, the period of adjustment can be as long as two years.

Principle Four *Expectations Need To Be Managed Realistically*

The relationship between expectations and reality is very important. You can see this in customer relations - if a supplier fails to meet expectations then the customer is unhappy; if the supplier exceeds expectations then the customer is happy.

To some extent the same principle applies to staff and change. If their expectations are not met, they are unhappy. If their expectations are exceeded, they are happy. Sometimes, enforced change (e.g.: redundancies) inevitably involves the failure to meet expectations: there had been an expectation of job security, which has now been taken away.

What leaders/managers have to do, however, is make sure they don't pour petrol on the fire by making promises that cannot or will not be kept. Expectations have to be set at a realistic level, and then exceeded (e.g.: in terms of the degree of outplacement support that will be provided).

Principle Five *Fears Have To Be Dealt With*

In times of significant change rational thought goes out of the window. This means that people often fear the worst - in fact, they fear far more than the worst, because their subconscious minds suddenly become illogical and see irrational consequences. e.g.:

- Our company is reducing staff, which means...
- They will make people redundant, and...
- I'll be the first to be kicked out, and...
- I'll have no hope of getting another job, and...
- I won't be able to pay the mortgage, so...
- I'll lose the house, so...
- My family won't have anywhere to live, and...
- My wife won't be able to cope, so...
- She'll leave me, and...
- I'll be so disgraced the children won't speak to me ever again.

Such fears need to be addressed, e.g. by helping people to recognise that most people who are made redundant find a better job with better pay and have a huge lump sum in their pocket! Or, where appropriate, by explaining how the reductions in staff numbers are going to be achieved (by natural wastage or voluntary redundancy).