

BUSINESS: LEADING CHANGE EFFECTIVELY

The Difference Maker

Know Thy People

Change is inevitable—and constant. This is true socially, politically, environmentally, culturally, and corporately. The stakes are high for companies that ignore the winds of change in markets, demand cycles, products, services, and globalization.¹ Change can come in many forms in an organization (e.g., new systems, policies, or processes; rightsizing or restructuring; cultural or behavioral improvements; and turnarounds). Whether it's welcomed and exciting or the result of constant modernization, change is certain.

“To improve is to change; to be perfect is to change often.”

Winston Churchill

Although change is often a good thing—to improve current processes, to better support organizational objectives, and to help a company accomplish its mission—change makes many people feel unsafe and fearful. A lack of clarity can fuel anger, confusion, and fear. And **fears and insecurities, even when implicit or unconscious, can manifest in resistance, derailing even the best strategy.**



About 70% of change initiatives fail due to how they are driven by leadership.² We have the opportunity to approach change deliberately and lead employees through it more effectively. By understanding how people overcome “immunity to change,” we can plan our communication and execution strategies to mitigate fear-based frustration and lead a team to follow us confidently into a new reality.³

Share an example of a time you led your organization through a change that went poorly. What did it cost (money, morale, trust, momentum)?

What guiding principles or systems have you found effective for preparing your organization for change?



¹ Andrew S. Grove, *Only the Paranoid Survive: How to Exploit the Crisis Points That Challenge Every Business*, (New York: Doubleday, 1999).

² UNC Executive Development, “Why Change Initiatives Fail,” November 12, 2015, <http://execdev.kenan-flagler.unc.edu/blog/why-change-initiatives-fail>.

³ Tony Schwartz, “Leaders Focus Too Much on Changing Policies, and Not Enough on Changing Minds,” *Harvard Business Review*, June 25, 2018, <https://hbr.org/2018/06/leaders-focus-too-much-on-changing-policies-and-not-enough-on-changing-minds>.

Feelings First?

When researching for their book *Switch*, Chip and Dan Heath asked people their views about change. A common response—one we likely share—was that change is hard. But the Heath brothers knew change is not always hard, so they sought to discover what science and psychology had to say about why change is sometimes easy and at other times excruciating.⁴

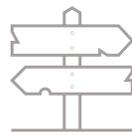
Their most fundamental finding attributes our ability to change to a split in our brains. When we make a decision, we are torn between two systems that the authors characterize as The Rider and The Elephant.⁵ The Rider thinks he's in control, holding the reins, but if the two disagree, the Rider battles a powerful, five-ton Elephant.



We typically try to educate with information, but **resistance to change often isn't a knowledge problem**. When we are communicating organizational change, the "Rider" part of our employees may understand and even agree, but there is an "Elephant" inside of them that is comfortable with what they know and is instinctively overwhelmed by change.

Riders need direction, or they will spin their wheels into analysis paralysis. Elephants need motivation.

The *Switch* prescription for making change happen consists of three basic premises:



**Direct
the Rider**



**Motivate
the Elephant**



**Shape
the path**

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See Appendix A for the *Switch* Framework for Changing Behavior.

⁴ In the book, the authors note that people actually like change and naturally elect change often. People resist *being* changed, or *involuntary* change.

⁵ Chip Heath and Dan Heath, *Switch: How to Change Things When Change Is Hard* (New York: Broadway Books, 2010).

Beliefs Change Behaviors

John Kotter, an organizational-change thought leader, makes a similar argument.



Kotter says most people *think* change happens in the following progression:

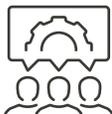
A careful analysis is presented...



...which causes changed thinking...



...which leads to behavioral change.



In Kotter's experience, change almost never occurs that way. Rather, he defines the change model as SEE-FEEL-CHANGE:

People **SEE** something...



...that makes them **FEEL** something...



...that gives them fuel to **CHANGE**.



To effect lasting change, we must think about how to go from just sharing information with our teams to inspiring them to feel something. If we want to improve customer service, we present them with the voice of an underserved customer in order to spark empathy. If we want to increase product-development innovation, we expose them to market competition in order to create a “burning platform” of necessity for change.⁶

While the *Switch* principles are helpful for thinking about influencing behavioral change, Kotter's sequence can help leaders deploy change. It is easy for leaders to blame others or circumstances when change is resisted or poorly deployed. Too often, the true root of ineffective change is found in leaders who navigate change poorly.⁷

In his article, “Leading Change: Why Transformation Efforts Fail” and subsequent works on change, Kotter outlines an eight-stage process for changing a culture.⁸

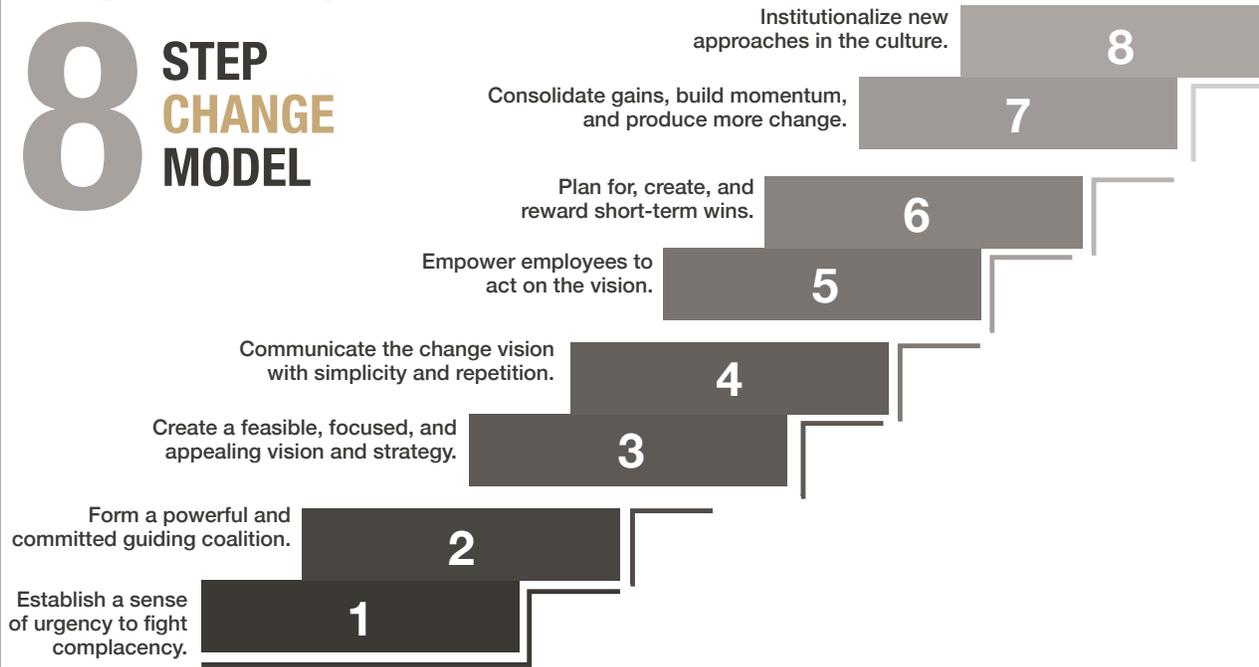
6 Dan Heath, “Want Your Organization to Change? Put Feelings First,” May 26, 2010, <https://www.fastcompany.com/1635067/dan-heath-want-your-organization-change-put-feelings-first>.

7 Richard Blackaby, “Don't Be Too Quick to Sound the Spiritual Warfare Alarm!,” July 31, 2019, <https://www.richardblackaby.com/dont-be-too-quick-to-push-the-spiritual-warfare-alarm/>.

8 John P. Kotter, “Leading Change: Why Transformation Efforts Fail,” *Harvard Business Review*, January 2007, <https://hbr.org/2007/01/leading-change-why-transformation-efforts-fail>.

KOTTER'S

8 STEP CHANGE MODEL



Kotter has found that skipping steps creates the illusion of speed and fails to accelerate or achieve the desired outcome.⁹ It is possible for our organizations to thrive as a result of change if we avoid the pitfalls that lead to failure. A vision for the change process applied deliberately can reduce ineffectiveness.

It is easy to look at the steps and acknowledge their validity. It can be more helpful to consider what can result if any step is skipped. For example, it would be an error in step 5 not to remove obstacles to the new vision and an error in step 7 to declare victory too soon.

Where do you typically start to implement change in Kotter's process?



At which step is your organization most prone to committing errors?

What is the cost of those errors?



Using Kotter's 8-step change model as a reference, build a plan to implement a critical change that is expected or that needs to take effect in the business in the near future.

Learning How to Lead Change

Trevor Smith, President of Maupin Travel and C12 Member



Trevor has learned that clear communication and corporate values are key to introducing change and injecting a new vision into an old business.

⁹ John Kotter, "Leading Change: Why Transformation Efforts Fail," *Harvard Business Review*, May-June 1995 Issue, <https://hbr.org/1995/05/leading-change-why-transformation-efforts-fail-2>.

Clarity + Pace = Power

In 2016-2017, C12 embarked on a massive set of change vectors—new leadership, office relocation, supply chain and fulfillment strategy, software deployment, and major product innovation sequences. *What could go wrong lighting the fuse to so many change events in rapid succession like a Roman candle change expo?*

Many organizations wrestle with the tension of necessary change, desired change, and forced change. When all three of these categories of change are in play, missteps can erode trust, foster resistance, and cost the organization’s mission. In the midst of implementing an unrealistic volume of change, C12 failed to adequately explain the “why,” blitzing with only the “what” while minimizing the importance of vision-centered unity.

“To be clear is to be kind; to be unclear is unkind.”

Brené Brown

Even when a change is necessary and good, the sequence and pace can be the difference between success and a mess. Change is emotional, so lack of clarity is akin to malpractice.¹⁰ We must be clear on both why “here” is not tolerable and why “there” is worth the “land between,” erring on the side of overcommunicating along the way.¹¹

Depending how employees respond, leaders may become frustrated trying to defend the validity of change. As servant leaders, we must first look in the mirror and ask how we can lead change in such a way that our teams flourish, our enterprises prosper, and the missions we steward are advanced to the glory of God.¹²

“With upright heart [David] shepherded them and guided them with his skillful hand.”

Psalms 78:72

My most critical TO-DO is: _____

demonstrated by: _____

because: _____



¹⁰ Mike Sharrow, “Don’t Blame the Devil—Lead!” Faith Driven Entrepreneur, May 2, 2019, <https://www.faithdrivenentrepreneur.org/blog/2019/5/2/dont-blame-the-devil-lead>.

¹¹ Jeff Manion, “The Land Between,” Global Leadership Summit 2010, <https://globalleadership.org/videos/leading-yourself/the-land-between-2>.

¹² Rom. 12:8.

SWITCH FRAMEWORK FOR CHANGING BEHAVIOR

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For things to change, somebody somewhere has to start acting differently. Maybe it's you; maybe it's your team. Picture that person (or people). Each has an emotional Elephant side and a rational Rider side. You have to reach both, and you have to clear the way for them to succeed, which can be accomplished through these three principles:¹

1. DIRECT THE RIDER:



- **Find the bright spots.** Investigate what's working and clone it.
- **Script the critical moves.** Decision paralysis can set in when facing overwhelming situations. Focus on a few rules with which to lead, making anything else a secondary priority. What is make-or-break to generate the results you need?
- **Point to the destination.** The Rider loves analysis, sometimes more than doing the things necessary to reach a goal. Send a "destination postcard." Show the Rider where you're headed and show the Elephant why the journey is worthwhile.

2. MOTIVATE THE ELEPHANT:



- **Find the feeling.** Change brings uncertainty, and the Elephant doesn't like uncertainty. So, analytical arguments won't facilitate action. Bringing feelings into the equation changes results drastically. Remember Kotter's formula: see, feel, change.
- **Shrink the change.** Taking the first step is the hardest part of change. It's more motivating to be partly finished with a longer journey than remaining in the starting gate of a shorter one. Next time you need to motivate people toward a goal, make them feel closer to the finish line than they previously would have thought they were.
- **Grow your people.** Cultivate a sense of identity, and instill a growth mindset to move them to action.

3. SHAPE THE PATH:



- **Tweak the environment.** Sometimes the situations people are in dictate their behaviors. When you see someone exhibiting undesirable behavior, make the right behaviors easier and the wrongs a little harder. Ask yourself, "How can I make the behavior I am looking for a little easier to do?" You can even ask your people directly.
- **Build habits.** When behavior is habitual, it doesn't tax the Rider. Look for ways to encourage habits. Action triggers generate behavior and create instant habits. Introduce incentives.
- **Rally the herd.** Behavior is contagious. We're hardwired to look to others to find acceptable behavior. It's herd mentality. Help the change spread by showing the people you're trying to motivate how to make the change.

¹ Chip Heath and Dan Heath, *Switch: How to Change Things When Change Is Hard* (New York: Broadway Books, 2010).