


Change Management Cooking Class



OH NO! A DINNER PARTY FOR TWELVE AND ONLY SALAD CREAM IN THE FRIDGE!


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- 95% of the population worries about change. The remaining 5% are managers who wish to implement change. Imagine your relief if there was such a thing as a recipe for successful change management. No more doubts, everyone would be motivated and production wouldn't be at risk. The cooking class in this slide deck may not guarantee you a Michelin star, but if applied properly, you will save yourself a lot of time and worries.
- Even though the comparison with cooking may not seem so obvious, it's worth noting that the chemistry of cooking involves molecules of different ingredients to be blended through heating into a new form: a prepared meal. The same goes for organizational change: heating up existing ingredients, occasionally adding some elements and blending them into a new shape with a new objective.

Think of a time in your life that you made a learning breakthrough.

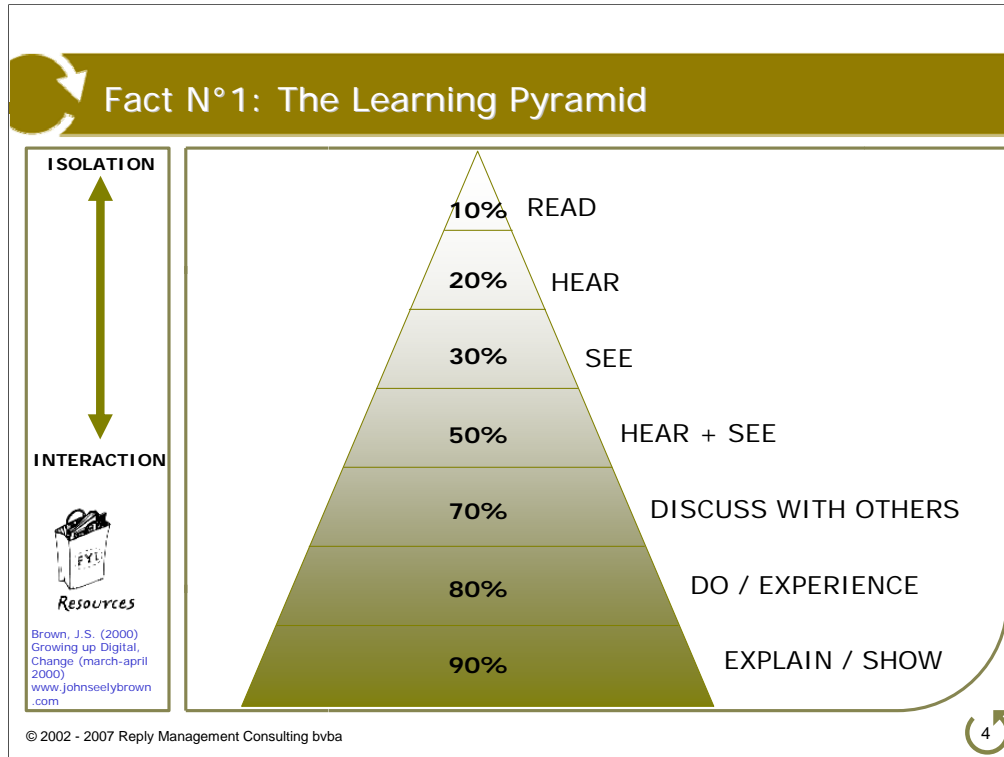
What
was
it?



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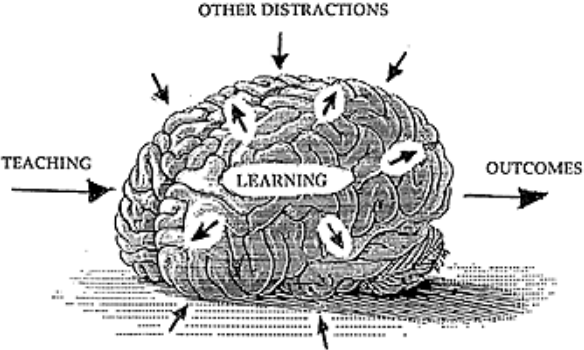
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- If you were to write down the learning breakthroughs in your own life, what would they be?
- If you were to map them on a scale of « in isolation – through interaction », where would you put them?



- The Learning Pyramid illustrates how much of each level of learning we remember later on. For example, we remember 10% of what we read, 20% of what we hear, 30% of what we see and 80% of what we do. The pyramid illustrates what is meant by the saying: 'what I hear I forget, what I see I remember, what I do I understand'.
- This learning pyramid also illustrates the point of John Seely Brown when he says that it is very easy for us to think that all knowledge is in the head, but we often ignore how much of our knowledge exists in action, action through participation, participation with the world, *participation* with the problem and participation with other people, i.e., *practices*. A lot of the knowing comes into being through the practices of the people and the environment you're working in.

Fact N°2: Teaching versus Learning



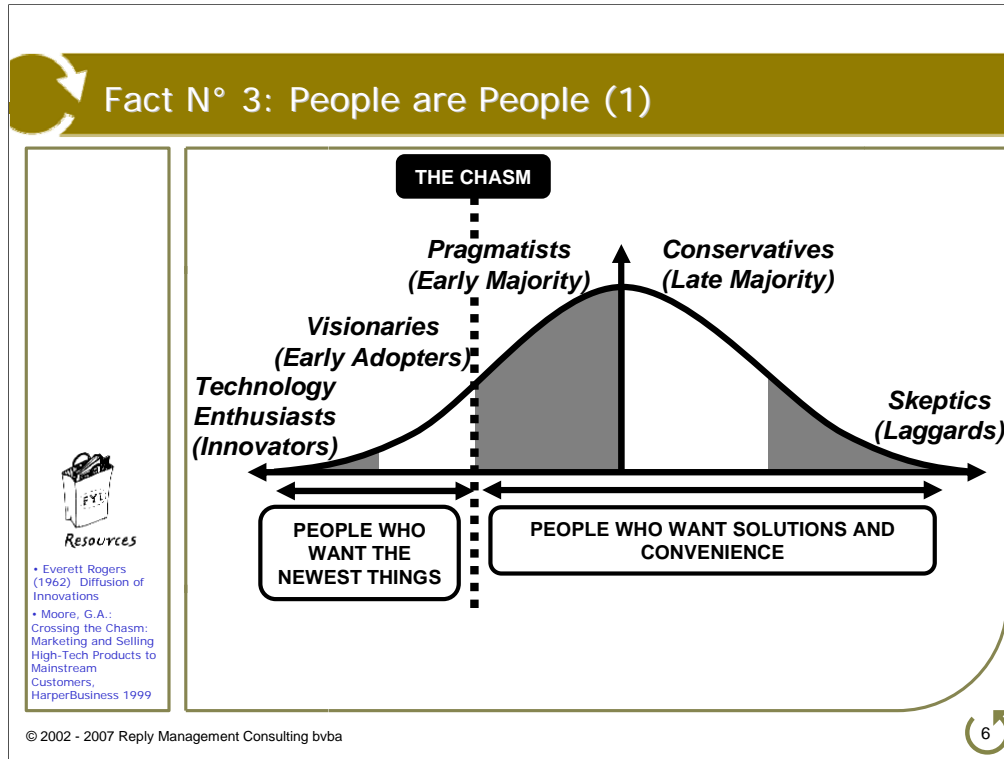
Resources

Miller F. *Improving Business Performance through Strategy Based Learning*
http://www.fernstar.com.au/publications/papers/business_performance.htm

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- Bob Dylan sings: "you can lead a horse to the water but you can not make it drink."
- There are several way to make the horse drink:
 - A) Push it
 - B) Pull it
 - C) When it is thirsty
- Which one works best?
- So the real question is: how can we make sure the horse is thirsty?
- The point is that teaching does not always result in learning. You can teach all you want – learning happens at the speed of interest.
- The same logic applies to organizational change management: « Change all you want - but execution happens at the speed of sense making »



- In a 1962 book called Diffusion of Innovations Everett Rogers stated that adopters of any new innovation or idea could be categorized on a classic bell shaped curve divided according to following protagonists: Innovators (2.5%), Early Adopters (13.5%), Early Majority (34%), Late Majority (34%), Laggards (16%)
- The point here is that you will find the exact same diffusion inside of organizations.
- Building further on Rogers' observations, Geoffrey Moore's key insight is that the groups adopt innovations for different reasons. According to Moore, early adopters are technology enthusiasts looking for a radical shift, while the early majority wants a productivity improvement. Both groups are divided by a **chasm**. Moore's observations come close to what you can expect when introducing a shift inside your organization, be it a new performance evaluation system, new software or simply moving from one building to another. According to Moore:
 - **Technology Enthusiasts** (Innovators) are explorers.
 - **Visionaries** (Early Adopters) are more geared towards exploitation. They are not especially bothered by the fact that the product doesn't work. They are willing to make it work.
 - **Pragmatists** (Early Majority) want a product that works. They want a 100% solution to their business problem. If they get the 80 % that delighted the visionary, they feel cheated, and they tell their pragmatist friends.
 - **Conservatives** (Late Majority) buy products because they really have no choice. They are not reassured by having books about the product, because the existence of books implies the product isn't simple enough to use. Conservatives will not tolerate complexity.
 - **Skeptics** (Laggards) are not going to buy, though they may talk other people out of buying.

Fact N° 3: People are People (2)

PEOPLE WHO WANT SOLUTIONS AND CONVENIENCE 85%

To do:

- Integrate
- Be clear
- Communicate better
- Get better at how I make knowledge available.

Resources

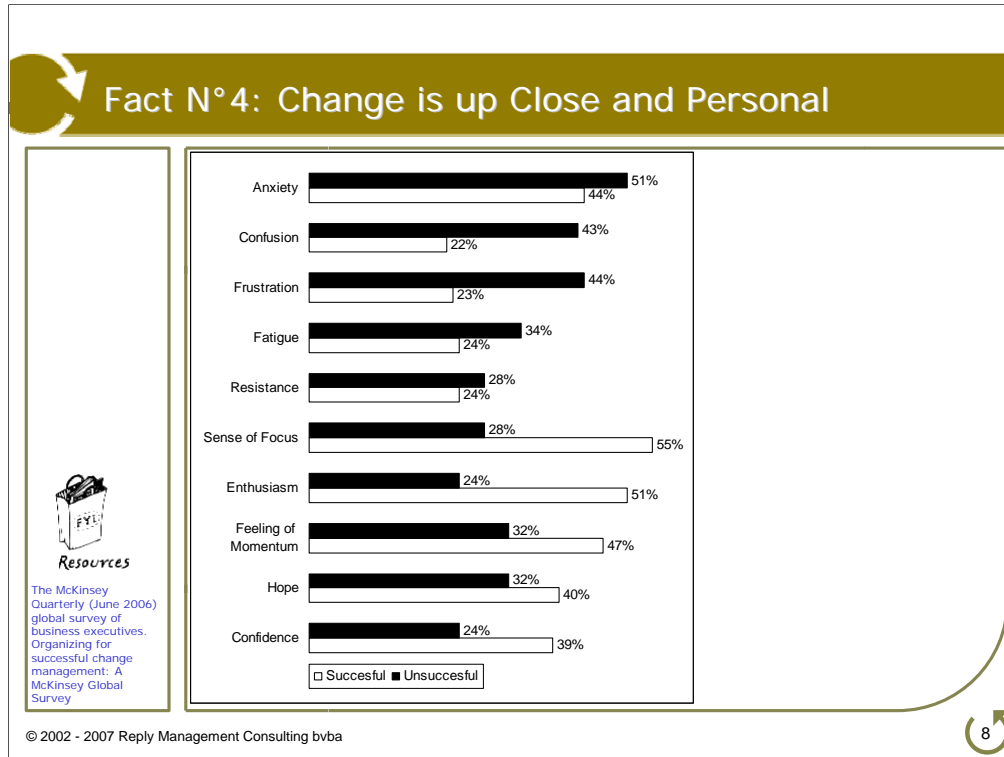
The Jensen Group & Northern Illinois University College of Business (1997)
The Search for a Simpler Way, pp147, www.simplerwork.com

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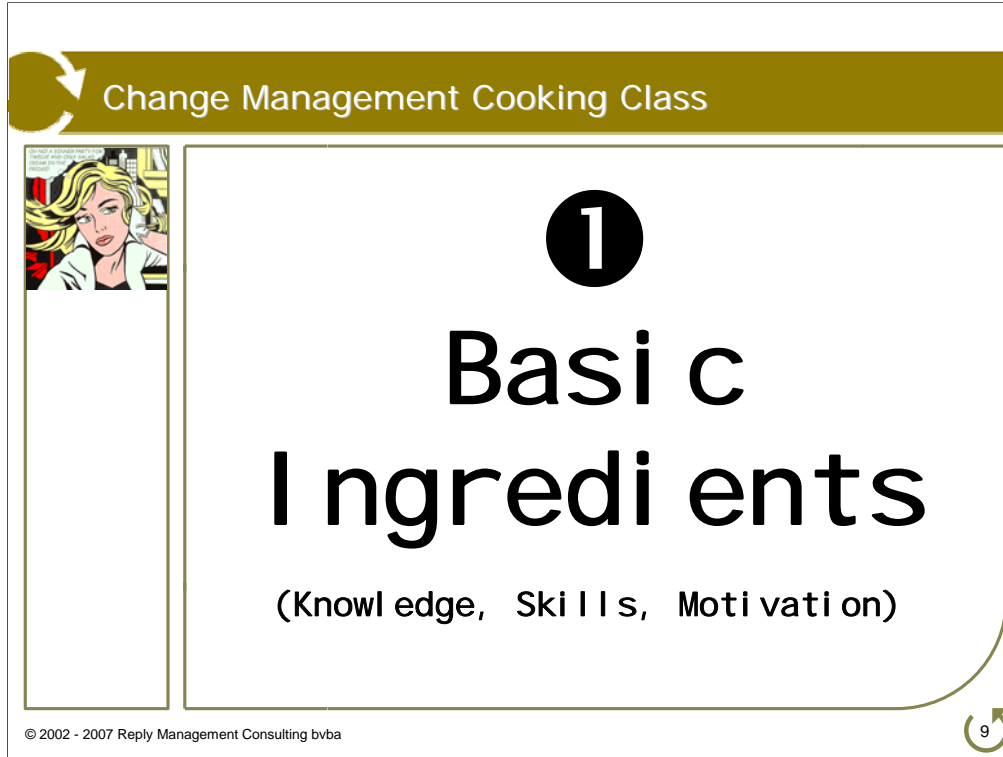
• We should note that a five-year research for 461 American companies, which was carried out by The Jensen Group and Northern Illinois University College of Business in 1997 discovered that complexity in teams and organizations is not an external factor, but rather an 'in-house' creation. They documented the four primary sources of 'work complexity', namely:

1. An inadequate integration of ongoing initiatives in the organization;
2. Unclear goals;
3. How we communicate (i.e. not only the bare fact of communicating but the way you do it!);
4. How we share knowledge and make it available (i.e.: in isolation or in interaction?).

• This top four emphasizes the importance of the relationship between project teams and the organization for which they work. It is the primary task of the project leader to manage these relationships, by making sure that these top four items are positively integrated in the core activities of the team.



- A recent survey conducted by the McKinsey Quarterly (2006) among 1536 executives of publicly and privately held businesses across a full range of industries reveals the importance of emotions in the success of an organizational change. The respondents who experienced a performance transformation over the past 5 years were asked to rate it on a scale ranging from completely successful to completely unsuccessful. Those who rated their transformation as Completely / Mostly Successful and Completely / Mostly Unsuccessful were asked what characterized the mood in the organization during the transformation. The graphic shows the responses to that question for both successful and unsuccessful organizations.
- McKinsey concludes that negative and positive moods are reported in roughly equal proportions, with anxiety as the most common emotion, ahead of confusion, frustration, fatigue and resistance. Among the positive moods, a sense of focus, enthusiasm, and feelings of momentum occur significantly unequal. Finally more of the top performers report positive moods, especially focus and enthusiasm.
- Two points of attention here:
 - This research confirms that you will be confronted with anxiety and resistance, regardless of whether the change is positive or negative.
 - You can channel these emotions to the benefit of your change in order to obtain more clarity and less confusion.
- Now the real question is: how do we channel these emotions so they can fuel your project instead of blocking it?



Change Management Cooking Class

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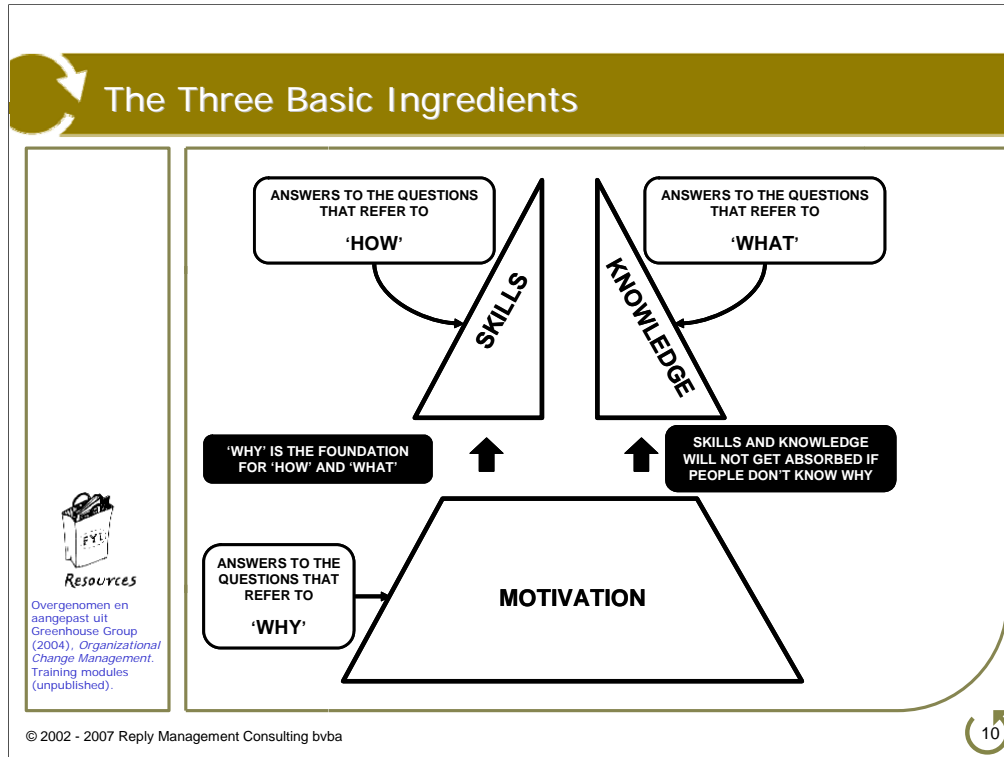
Basic Ingredients

(Knowledge, Skills, Motivation)

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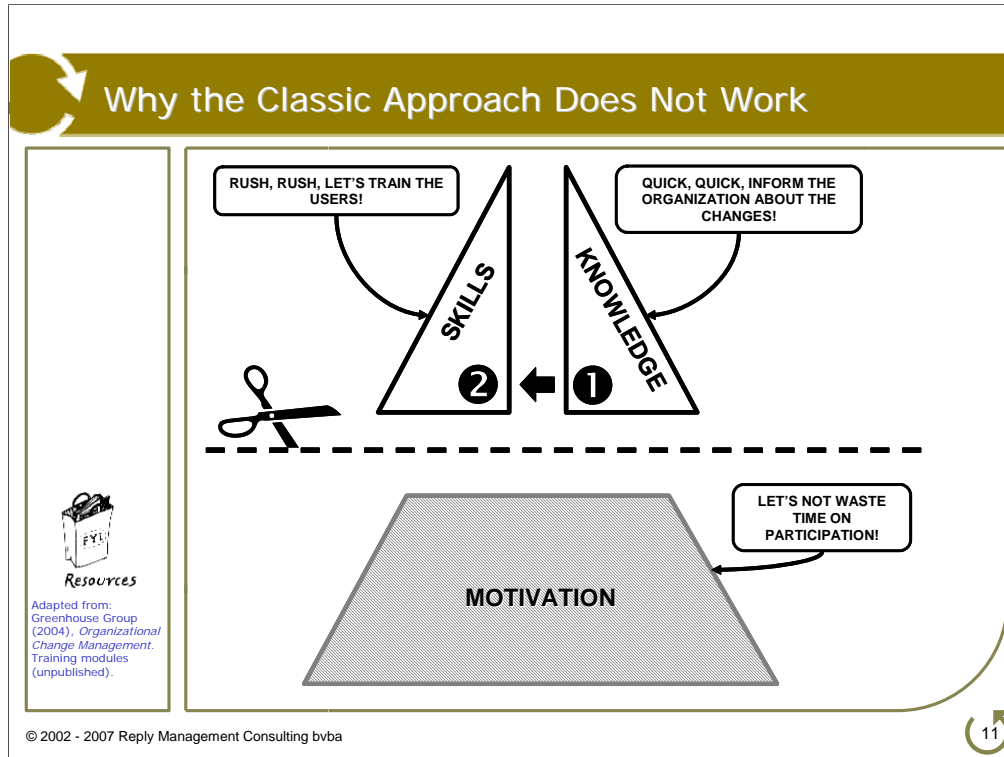
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- Cooking can't start without the basic ingredients. In cooking we often find them in three groups: carbohydrates , lipids and proteins.
- In organizations these easily translate into Knowledge, Skills and Motivation. In this first cooking lesson we will point out why these are the three basic ingredients in anything you are likely to do with people in an organization.

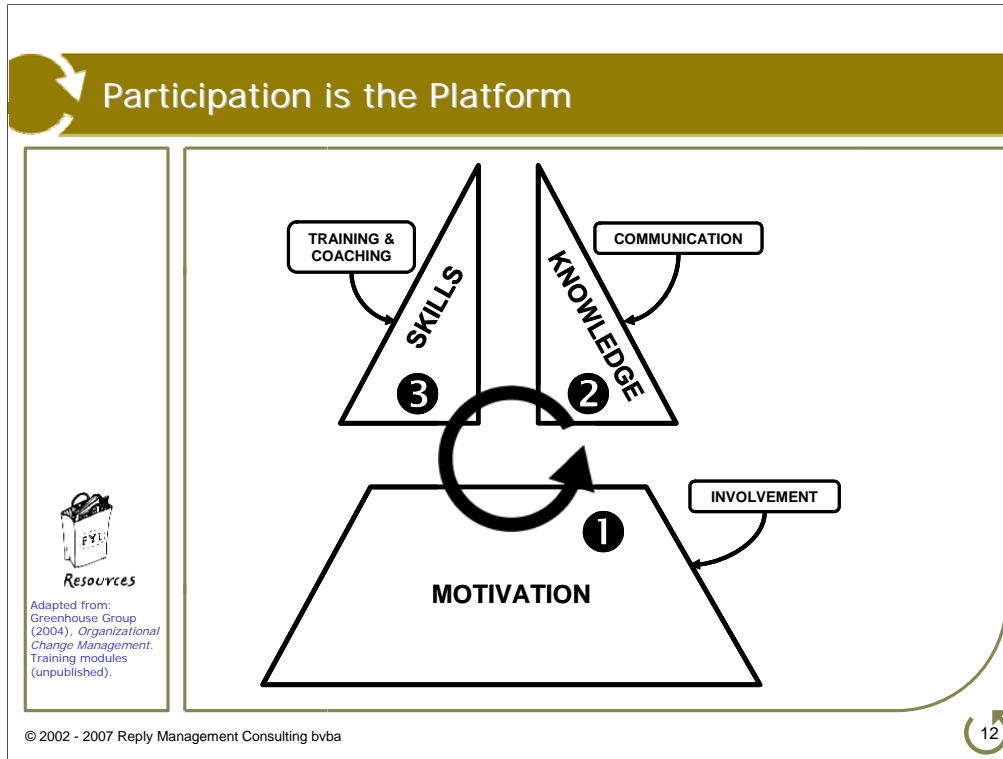


As you can see on this slide every organizational change always has the same three ingredients : Motivation (the emotional stuff below the surface), Knowledge and Skills. These determine the domains of action for making the change happen. They are the biggest needs during every cycle of change.

- Questions and reactions, which fall into the '**Knowledge**' category, often indicate a need for vision, a business case or an overview. These refer to the 'what' of the change.
- The '**Skills**' category indicates a need for concrete and explicit knowledge, tools and working instructions. In other words: people want to know 'how' they will make the change happen.
- In addition there is also an entire range of reactions that fall into the '**Motivation**' category (the underlying reason that drives the change: the 'why'). These reactions reflect people's need for involvement and inspiration. The ingredient 'Motivation' determines whether people undergo the change or are part of it.




- An often made mistake in organizational change projects consists of postponing all contacts with the target group until the very last minute. Too much influence from the target group often has a delaying and disturbing impact. 'Now we really need to provide information', is the usual statement. Your team isolates itself from the rest of the company and the communications department fires unidirectional communication (*Knowledge*) at the target group.
- As we illustrate on this slide, people feel as if a concept is being forced upon them and they aren't really given the time to fully comprehend it. The knowledge provided during training is so theoretical that it has nothing in common with practice. Many of the workers wonder why they have to spend all that time in training and are annoyed because their day-to-day work is just laying around.
- People have received all the explicit knowledge that is – *rationaly speaking* – necessary to face the change. They have had the *Know-whats* pushed down their throats. But the project grinds to a halt in the production phase because people have not been given the time to participate and build up *Know-how*. As a law of nature, you will be confronted with a performance drop anyhow. Postponing participation to the very last minute will only make it worse.
- Even before the change really has started, you are stuck in a negative, downward spiral because most target groups are not being motivated to take the project in hand. When reactions indicate that there is a need for involvement, an information session or training will have the wrong effect. It's important to know where the needs lie at what precise moment. The best way to find out is to involve the target group in the project in a timely manner. **A change is always a discomfort, and discomforts are easier to deal with when you participate in making it happen.**



- The inevitable truth is that people will need to build the *Know-how* anyway in order for the project to work, so it is better to do that during project preparation than to pay for it in terms of a sputtering go-live. As we illustrated in this slide, people should be given the opportunity to be part of the creative process that is expected from them. That is why it's necessary to effectively involve them before, during and after the change.

Change Management Cooking Class



2

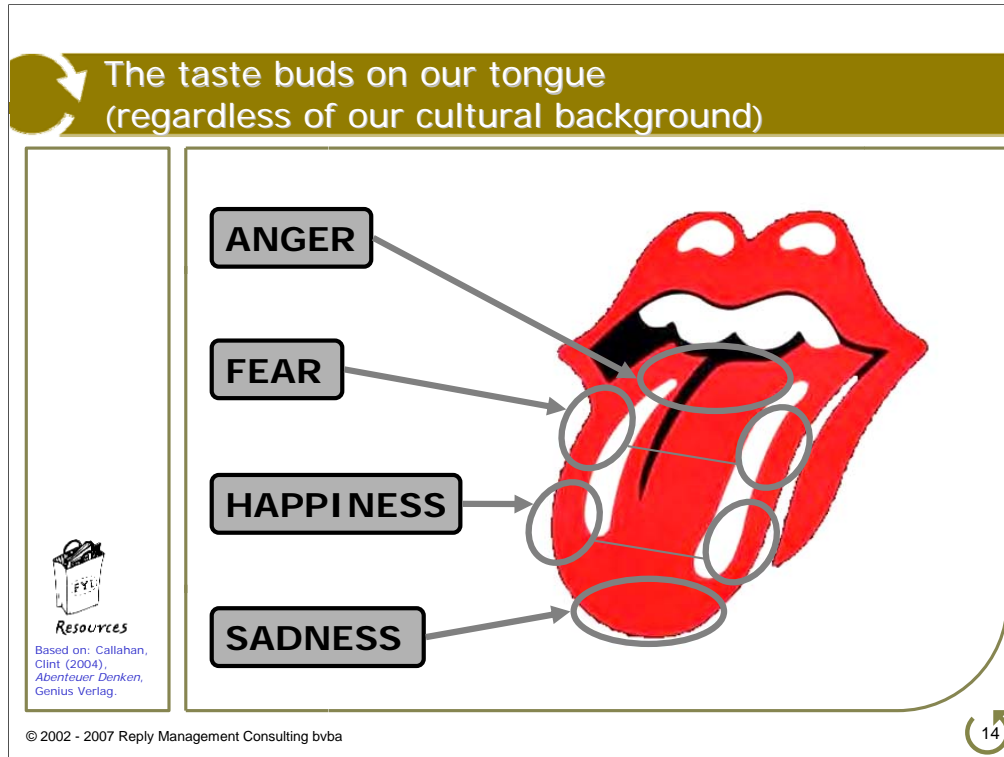
Basic Tastes

(Mad, Sad, Glad, Scared)

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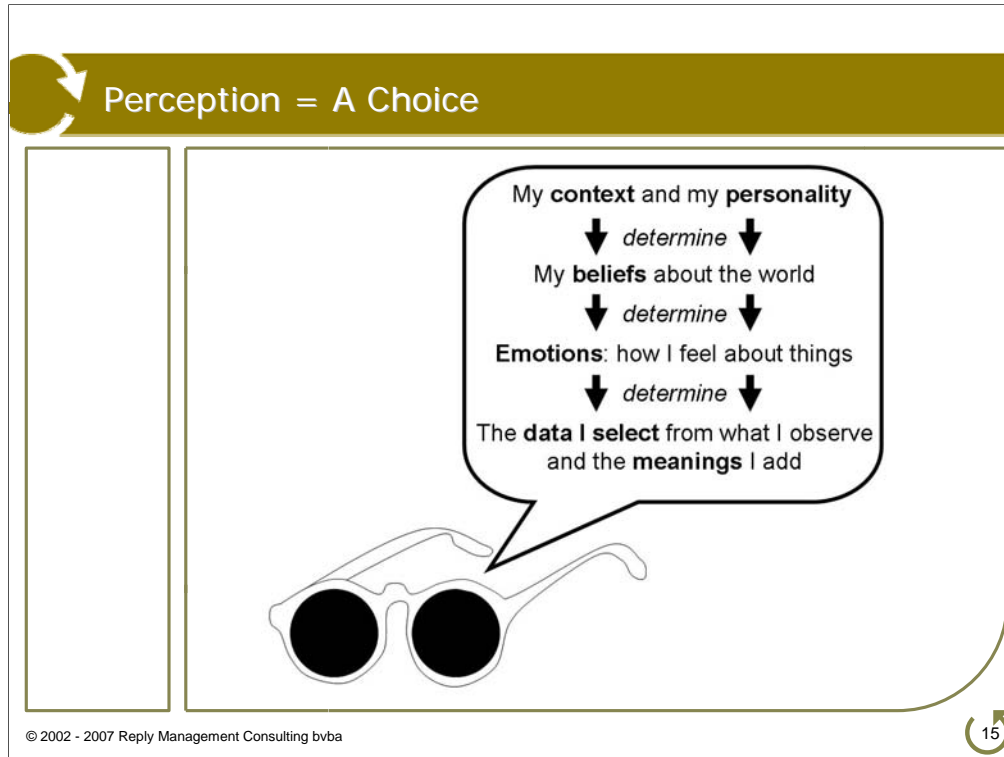
- In cooking it's all about tastes. We all have personal preferences with regards to tastes and often our preferences are influenced by our culture and social background.
- Likewise, in organizational change management it's all about feelings. Two remarkable parallels with the basic tastes stand out:
 - There are also 4 basic feelings
 - How we experience a change emotionally is to a large extent influenced by our culture and personality



- You need to know that there are four basic emotions at hand; i.e., four basic fuels that contain the energy we need in order to move from one state to another. Fear, anger, sadness, and happiness are the four basic emotions that can be experienced by every person in any culture. Just like the four basic tastes: bitter, sweet, sour, and salty.
- However, as we grow up, the way we experience things is more and more determined by our cultural context (family, social class, organization, country, friends, generation,...). At birth we all have the same starting point: all the food that we eat has a taste (sweet, sour, bitter, salty) and is stored as such in our brain. Likewise we encode each change in our lives with a feeling (Happiness, Fear, Anger, Sadness). Whether we experience change in a positive or negative manner also depends on our cultural context. This is a very valuable insight, because it proves that emotions follow perception (and not the other way around).

In other words: WE CHOOSE OUR RESPONSES TO THE WORLD

- Of course, our perceptions are not only determined by our cultural context. The intensity of our experience is partly determined by our very personality.
- In short: if you want to talk about organizational change you are not going to 'get it' from an academic essay, but rather from the personal witness of the 43 year old helpdesk employee, mother of two adolescents, meeting ends for a mortgage and a car loan and worrying about her jobless husband.




Now hang on, because this is where it gets interesting. There are three things you should know about emotions.

- 1. Perception is a choice.** As a result, whatever feelings we experience are not an outside event but the result of our personal choice on how we perceive an outside event. It is the basic insight that is underlying one of the key points of the bestseller *Fish!*(^{*}): Choose Your Attitude - Each day you choose how you are going to act or which "side of the bed" you wake up on. The choice is yours and, the way you act, affects others.
- 2. Emotions are fuel.** Emotions provide the basic energy that is necessary to get anywhere from your current state.
- 3. Emotions are data.** Once you are able to disconnect the emotion and read the valuable information that is hiding behind it, you will soon find out that there is a positive use of these emotions.

(^{*}) *Fish! A Remarkable Way to Boost Morale and Improve Results* by Stephen C. Lundin, Harry Paul, John Christensen. ISBN: 0786866020

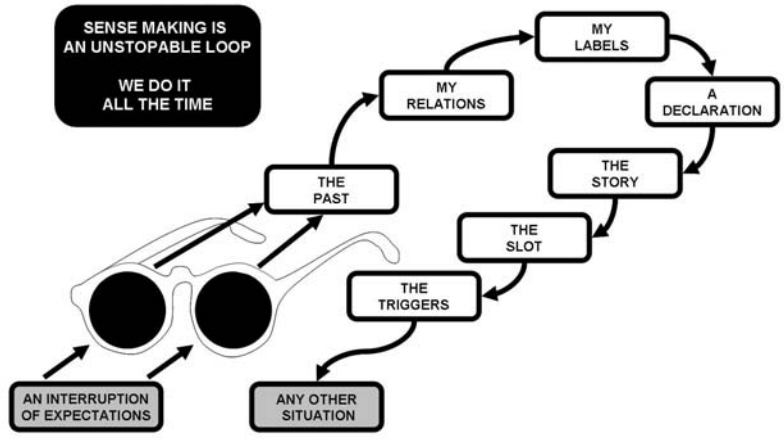
➔ **The mechanics of our perception?**
 (or: 'why don't you like what I like?')



Resources

- Luc Galoppin & Siegfried Caems (2007) *Managing Organizational Change During SAP Implementations*, SAP Press.
- Based on: Weick, K.: *Sensemaking in Organizations*, Thousand Oaks: Sage Publications, 1995

SENSE MAKING IS AN UNSTOPPABLE LOOP
 WE DO IT ALL THE TIME



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- Culture is a sense making mechanism that works like a pair of glasses you are wearing. Pink-lensed glasses will make you feel happier than black-lensed glasses; that much is certain. What is less obvious, though, is that glasses of a certain color will make you see certain things more clearly and completely ignore other things; in other words, they determine the data you select. So, as a starting point: culture is a sense making mechanism that determines our perception.

- Sense making is something we do all the time (you can not 'not do it', like it is impossible to 'not taste' the food that is in our mouth) and it always follows the seven steps that are derived from Karl Weick's seven characteristics of Sense Making in organizations:

- 1. The Past:** We make sense of our experiences by comparing them with previous experiences. The organizational past is an important indicator in predicting the reaction to the current organizational change. The past is something that comes walking in through the back door of emotions. People remember events that have the same emotional tone as what they currently feel. Past events are reconstructed in the present as explanations, not because they look the same but because they feel the same.

- 2. My Relations:** We make sense of changes in organizations while in conversation with others, while reading communications from others, and while exchanging ideas with others.

- 3. My Labels:** People are sense-making creatures. Whenever a change happens that affects us we give it a label and put it into a known category (dangerous, stupid, beautiful, etc.). In terms of Almost instinctively, we respond with familiar questions: Who is behind this? What are the credentials of those people? Who said so? What will become of us after that change? Do they have the support of management?

- 4. A Declaration:** Words have consequences. We should never underestimate the power of words and conversations. A situation is "talked" into existence, and the basis is laid for action to deal with it. Declarations are the way we translate stuff from below the surface into explicit knowledge. As a simple example, when people constantly say that "this project stinks" they create a climate in which the observation of difficulties is stimulated and the observation of possibilities is constrained.

- 5. The Real Story:** People are interested in the truth, not the details. And people are not stupid. We construct the meanings of things based on reasonable explanations of what might be happening rather than through scientific discovery of "the real story." Here is a warning flag to heed at this point: What is a simple truth for one group, such as managers, often proves implausible for another group, such as employees.

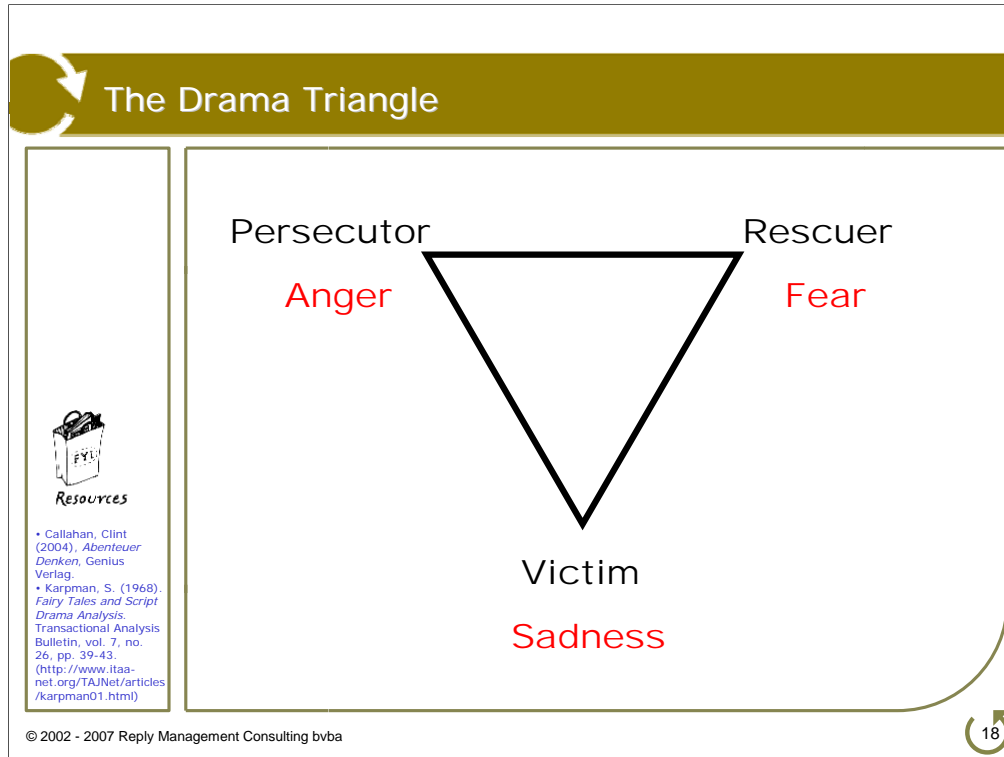
- 6. The Timeslot:** Sense making is linked to timing. Like an airplane waiting for takeoff, an event will only get a limited slot for takeoff in the attention span of an individual. If that moment of attention happens to be the right one, it helps in setting a culture.

- 7. The Triggers:** Nobody is capable of observing it all. Our observation is based on extracted cues. The cues that we observe depend on what we expect to observe, As a kind of self-fulfilling prophecy, we shape our reality according to how we expect it to be. When we think we are going to succeed at something, we will be triggered by every cue that confirms this reality and act upon it, and vice versa.

- *One final note: Focusing on cultural differences, analyzing, and interpreting cultural indexes and theories will only get you paralyzed because there is no true or false when it comes to cultures. Rather, focus on sense making mechanisms like the above.*

The slide features a dark olive green header with a white arrow icon pointing right and the text "Change Management Cooking Class". Below the header is a vertical strip on the left containing a small comic-style illustration of a woman with blonde hair. The main content area is white with a large black circle containing the number "3" at the top center. Below this, the word "Recipes" is written in a large, bold, black font. Underneath "Recipes" is the subtitle "(Forms of Resistance)" in a smaller, black font. At the bottom left of the slide, there is a small copyright notice: "© 2002 - 2007 Reply Management Consulting bvba". At the bottom right, there is a circular icon containing the number "17" with a small arrow pointing up and to the right.

- There are different ways of preparing something with the same ingredients and most of the times we have a preference for a certain style of cooking: French, Italian, Fast Food, Veggie, Fusion, Grandmother's kitchen,...
- In the same way there are different ways to go about with the basic emotions. Here as well, we often have certain preferences.



- The problem with emotions is not their intensity, but rather the fact that they always come in disguise. You will almost never hear people saying that they are scared, angry, or sad because of a certain change. People communicate their emotions through “playing games.” The analysis of these games is the study domain of Transactional Analysis. Transactional Analysis proposes a simple decoder for reading the emotions that occur as a result of changes: it is called the Drama Triangle. Fear, Anger and Sadness hold the principal roles in this game. The associated roles are: The Persecutor role, The Rescuer role, The Victim role.
- A persecutor will think of others as “not OK” and will use this against them by accusing them, belittling them, suppressing them, etc.
- A rescuer also thinks that others are “not OK” and helps them because he is convinced that they are not capable of helping themselves.
- A victim thinks of himself as not OK and therefore will seek out a persecutor for confirmation or a rescuer because he or she “is incapable of dealing with it.” The role of the victim is probably the most powerful of all three. A good victim can create a persecutor in every situation.

Warning

"Far and away
the greatest source of bullshit
with which we must contend
is ourselves"

-- Postman, N. & Weingartner, C. (1969) Teaching as a Subversive Activity

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Google: « cognitive dissonance » and you will find that Wikipedia describes it as « Overjustification ».

Unfortunately every human being is equipped with cognitive dissonance (evolutionary biologists may claim that it is a survival mechanism).

An Alternative Response to Resistance

I have no idea why these a**holes resist the stuff I prepared for them

All victims, persecutors and rescuers...

They're so stupid that they don't even understand the drama triangle!

Yeah, I know the type: you invest all your time and knowledge, and all they do is react like monkeys

OR MAYBE...

Either I know something they don't, or they know something I don't

They did something you did not want them to do

What they did does not fit into my model of how change happens

They did something you did not expect

Maybe I have made a mistake

You are asking them to do something that feels unsafe

I don't understand their point of view...yet


You have created a problem for them

Resources
Karten, N. (2002). *Communication Gaps and How to Close Them*. Dorset House Publishing, New York.

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- How can we get the people who resist so hard to pull the cart with same amount of energy? You don't need to reduce the energy of the resistance, but instead you should change the underlying beliefs that guide it against the change.
- The starting point for doing so is to offer yourself an alternative interpretation of resistance. For all the people that you labeled as "resistant," have a look at the following alternatives in the grey text balloons:
 - I don't understand their point of view...yet.
 - They did something I did not expect.
 - They did something I did not want them to do.
 - What they did does not fit into my model of how change happens.
 - Either I know something they don't, or they know something I don't.
 - Maybe I have made a mistake.
 - I have created a problem for them.
 - I am asking them to do something that feels unsafe.
- The point is that when we label a person as "resistant," we stop the conversation, we map them on the drama triangle, and we place ourselves high above it. Rather than sitting in judgment (ISOLATION), seek additional information that would help you understand the person's reactions (INTERACTION).

 Managing Resistance (NOT: Avoiding it)

Counter resistance with Respect


Why?

A communication persists until it is received

So?

Managing resistance
=
Acknowledging receipt

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Your Reminder on Resistance



To do:

- Don't take it personal
- Acknowledge receipt
- Shut up
- Listen
- Involve
- Shut up
- Listen

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Change Management Cooking Class

4


Cooking is Chemistry

(The Basics)

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- In organizational change management you will find as much schools of thought as there are cooking manuals. The purpose of this part is to demonstrate which ones are the absolute basics you should be aware of (actually, all the others are variations to their main theme!).
- So who are the likes of Escoffier, Bocuse, Carliccio and Parker in the kitchen of organizational change?


 Knowing the Boiling Point


In order to understand a system,

Rational Somewhat predictable: **Knowledge** and **Skills**

Emotional Below the surface: **Motivation**

you should try to change it.


Resources
Quote of Kurt Lewin,
one of the founding
fathers of
organizational change
management

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- Kurt Lewin (1890 - 1947), a German-born psychologist, is of the modern pioneers of social, organizational, and applied psychology. Lewin is often recognized as the "founder of social psychology" and was one of the first researchers to study group dynamics and organizational development.
- Lewin, in his wisdom, had it right. He said, "In order to understand a system, you should try to change it."
- All of a sudden the surface of the water isn't flat anymore, because the molecules below the surface started moving in an unpredictable sense. This is the boiling point and a different "logic" applies.

The Basics of Change Management Chemistry

Resources


- Kubler-Ross, E. : *On Death and Dying*, Macmillan, 1969
- Bruner, J. : *The Process of Education*, Harvard University Press, 1960

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- It is striking how the major insights of the change cycle come from two angles that seem at first to be opposites: development psychology, and research on death and dying. Psychologists and biologists observed that we typically find children whining and being more difficult when they learn something new and it often takes a while before they adapt to and assimilate these new abilities. For human development “things will get worse before they get better” is almost a law of nature: A biological upgrade of our brain software leads to a drop in performance before we pick up and use our newfound abilities.
- On the complete other side of the spectrum, Elisabeth Kubler Ross (1969) has described her work with terminally ill patients and found that they typically come to terms with their prognosis in five stages: denial, anger, bargaining, depression, and finally acceptance. In these cases, it is self-esteem that shows a serious drop-off and then picks up with acceptance in the same way as an infant coming to terms with its new abilities. Although most organizational change is not of a life-or-death nature, people may experience similar stages as they adjust to it, making Kubler Ross’ advice highly applicable.

Unfreezing – Changing - Refreezing



« Things will get worse before they get better »



Edward A. Murphy, Jr. was one of the engineers on rocket-sled experiments undertaken by the U.S. Air Force in the 1940s to test ejector seat technologies.

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- In case you would wonder who « Murphy » was, apparently, the guy really existed...
- Nevertheless, Kurt Lewin was the first to make active use of the cycle theory that things get worse before they get better in organizations. No change will occur unless the target organization is unfrozen, and no change will last unless it is refrozen.

Unfreezing

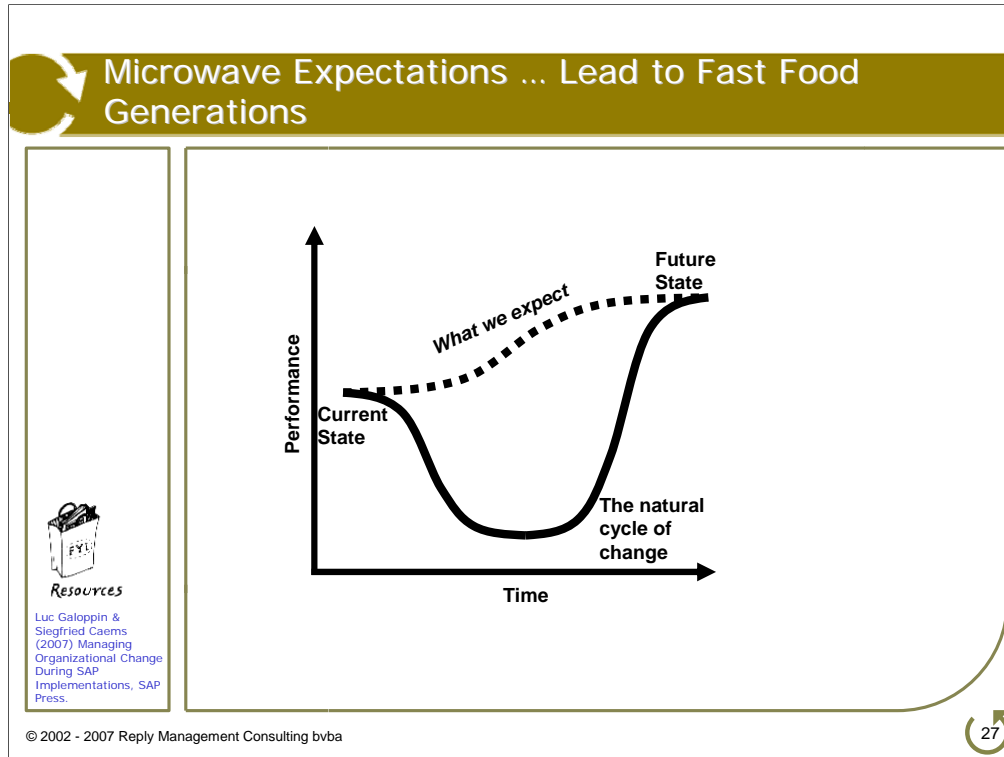
By far the most difficult and important stage is that of unfreezing, the creation of a motivation to change.

Changing

Once someone is unfrozen, he or she is more likely to pay attention to information, ideas, suggestions, or even orders that were previously ignored. People become active problem solvers because they are uncomfortable. They become motivated to change. It is important to note that people may have had strong disconfirmation in the past but have not felt secure enough to do something about their situation.


Refreezing

During this phase the new behavior becomes a habit. Research indicated that only internalized behavior can be permanent without outside validation (research by Edgar Schein in 1980 – another guru of Organizational Change Management). Identification requires regular validation in the form of social support. Obeying, requires continuous control. Even if the change is being induced from a position of power, it is essential to learn the even greater power of being helpful and supportive. People must be unfrozen to change; they must hurt somewhere. But that is not enough. Equally important is their sense of psychological safety: that it is OK to try something new and to give up something old and familiar.




- Looking at the change cycles on the previous slide, they seem quite logical and straightforward. Yet, when it comes to making a change happen in an organization, a team, or a project, we act as if a different logic applies. We somehow seem to think the natural cycle of change does not apply to our project. But it does.
- The dotted line in this slide shows the expectation that people might have with regard to a transition from a current state to a future one. The fact that we perceive this transition in this way is caused by the fact that we look at organizational changes purely as a mathematical exercise. However, it is a false expectation because, when reality settles in, we are puzzled by the emotional responses to the change and terrified by the delays and the drops in performance. But we are only witnessing nature having its way.
- Emotional and psychological factors ultimately decide the duration and success of the organizational change. Whenever people are involved, performance will drop and resistance will come. Either we ignore it until the last minute or we accept it as a given and incorporate it in our approach.

Change Management Cooking Class

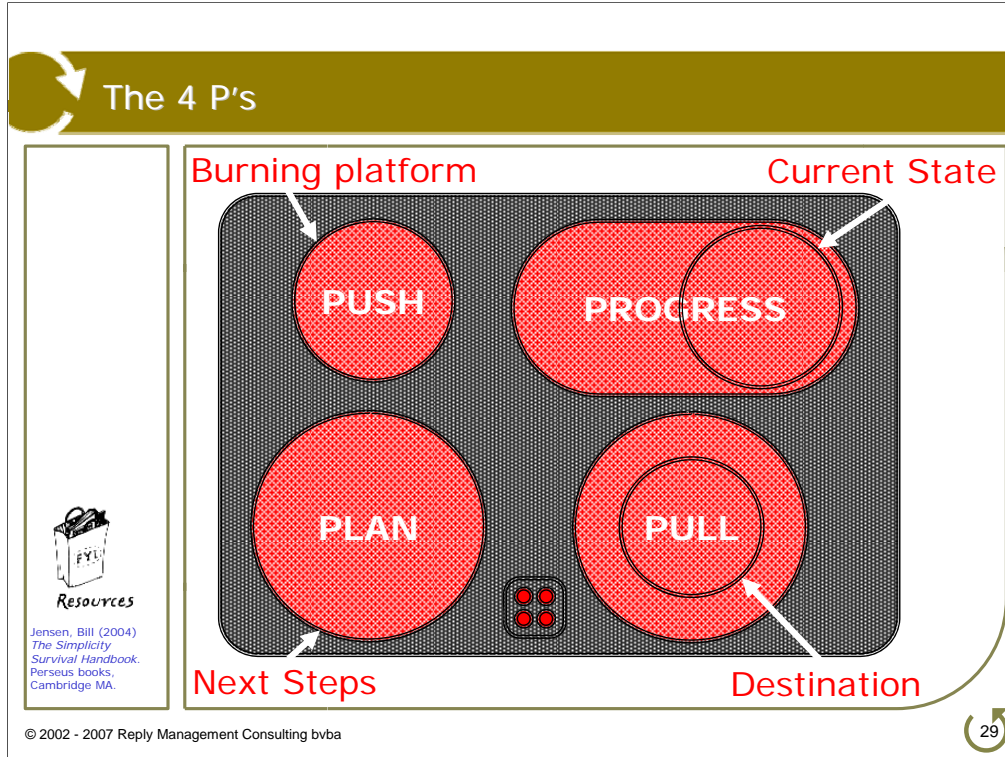


5
The 4 boiler plates
(A Compelling Case)

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- If you want to become a good cook, it will take some practice and “failing forward”. Along the road you will discover how the heating equipment works and how to make best use of it: gas, electricity, induction, fire, grill,...
- In the language of Organizational Change Management: along the way you will find out what works best in your environment to heat up or cool down things in your organization.



- By now you must know that I am a firm believer and a copycat of successful marketing concepts. *(In fact, marketers know more about how to cope with a changing environment than any other people inside an organization. In my opinion, the survival of the majority of organizations depends on their marketers' ability to respond to the "more-better-faster-now" changes in customer environment. Changing is what marketers are good at, and that is why their insights are valuable when making change happen inside a company)*

- So, here's to marketing and one of its core concepts: the 'marketing mix' of Philip Kotler. Remember what the 4 P's of marketing are (Place, Product, Promotion and Price). Well, in organizational change management, there is also a mix that applies. And it equally contains 4 P's...

- People tolerate management's logic but they draw their own conclusions. That is why it is essential to formulate the need for change as clearly as possible. But a good cook is well-prepared and has a clear plan. According to Jensen Group a compelling case for change is always built up along the lines of the 4 Ps:

1. PUSH: people will only take the leap into the unknown if their house is on fire. That is why the first step always serves to indicate that there is no other option than change.

2. PROGRESS: the answer to the question: 'where are we and what have we accomplished to date?', which clearly indicates which certainties and means are at our disposal to undertake this process of change.

3. PLAN: a clarification of the different steps ahead of us and actions that we need to undertake in order to reach the nearest milestone and the one after that and so on.

4. PULL: the final destination, which serves as the magnetic North or the lodestar in case people would lose a sense of direction.

!!! There is also a 5th P: getting all the information on one and the same Page

So what is Resistance?



The emotion that occurs when our expectations of "the way things are today" are interrupted.

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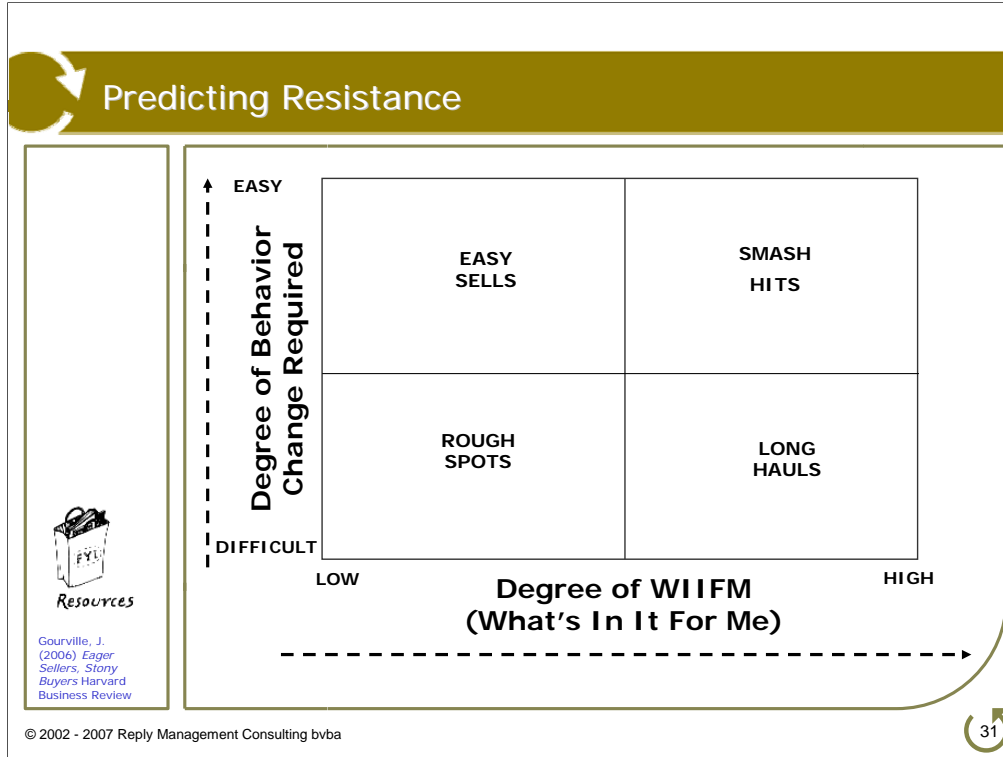
- Resistance is the emotion that occurs when our expectations of the way things are today are interrupted. Two words are important in this definition:

- a.) Emotion. The essence of resistance is that it creates an emotion. That means not logical, not rational, and—most of all—not predictable.

- b.) Expectation. Resistance does not only occur when things change, but when our expectations are interrupted, whether or not that makes rational sense. (Family therapist Virginia Satir – another guru in the change management arena - calls this "Foreign Element")

- It's not about positive or negative change; it's about the uncertainty that is inherent to every change. An often-heard saying with regard to change is: "The only one who likes to change is a baby in a wet diaper." Not only is this true for all changes, (whether they are positive or negative), but it gets us to the heart of the matter: how people grow up. Just like the infant who returns into the safety of mother's arms, we are looking for a safe place when an upgrade of our awareness kicks in.

- The point to remember in the context of organizational change is that human beings will only make the shift to the next level (the future state) when they have a safe place to return to. The best way to provide this safe place is through participation and interaction. Participation gives people the feeling of control over their own destinies, and that can make the difference between success and failure of your approach.




This brings us to the insight of John Gourville when he says we need to pay attention to the psychological costs when new products force consumers to change their behavior. He says the first step is to ask what kind of change they are asking of people. As this slide points out we need to figure out where the changes for the users fall in a matrix with four categories: Easy Sells, Rough Spots, Long Hauls, and Smash Hits. Each has a different ratio of WIIFM (What's In It For Me) versus behavior change required from the person involved.

As a result of the mapping of the chart, you will be able to estimate the resistance for each change. Accordingly, you will know which topics need more time for conversation or in which order you want to communicate them (we recommend communicating the bad news first). To make things a bit more concrete I have added some typical examples one can encounter during SAP implementations.

- **Rough Spots:** Limited WIIFM and significant behavior changes. These changes typically refer to transactions that require more clicking and data entry than before with no visible result for the user. If the communication of such a topic is restricted to the know-how and know-what (i.e. the instructions and the procedure) these users (and their supervisors) may quit on data accuracy and timing. **If you want people to commit to these rough spots, it is going to require a lot of context (know-why) and a good monitoring of the supervisors as agents of change.**
- **Long Hauls:** Significant WIIFM and significant behavior changes. These are typically the transactions that require a complete different way of thinking, a considerable number of clicks and screens and a lot of parameters to look after at the same time. We really want people to persist in this long period of learning how to work in a totally different way. **This will only work when we communicate regularly the know-hows (refreshers course, quick reference cards, coaching on-the-job, etc.), the know-what's (e.g. feedback about the KPI's to all the stakeholders) and the know-why's (context: why are we doing this?).**
- **Easy Sells:** Limited WIIFM and limited behavior changes. These are the very small changes of very basic actions. For these changes, sticking to the know-how and the know-what may work out fine, although we recommend that you take every opportunity you get to reinforce and link back to the know-why.
- **Smash Hits:** Significant WIIFM and limited behavior changes. These are the time savers and visible process improvements compared to the old situation. Most of the times, these are kind of features that users themselves are keen on telling their colleagues about, although initiating them yourself can do no harm to your relationship with the users and the trust they put in you.


Change Management Cooking Class



6 Nutritional Value

(Feedback)

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- Once you are able to disconnect the emotion and read the valuable information that is hiding behind it, you will soon find out that there is a positive use of these emotions, we call this the nutritional value.
- Of course, nothing comes for free and it will take some practice to decode a situation and find out its nutritional value

The Nutritional Table of Feedback: Decoder

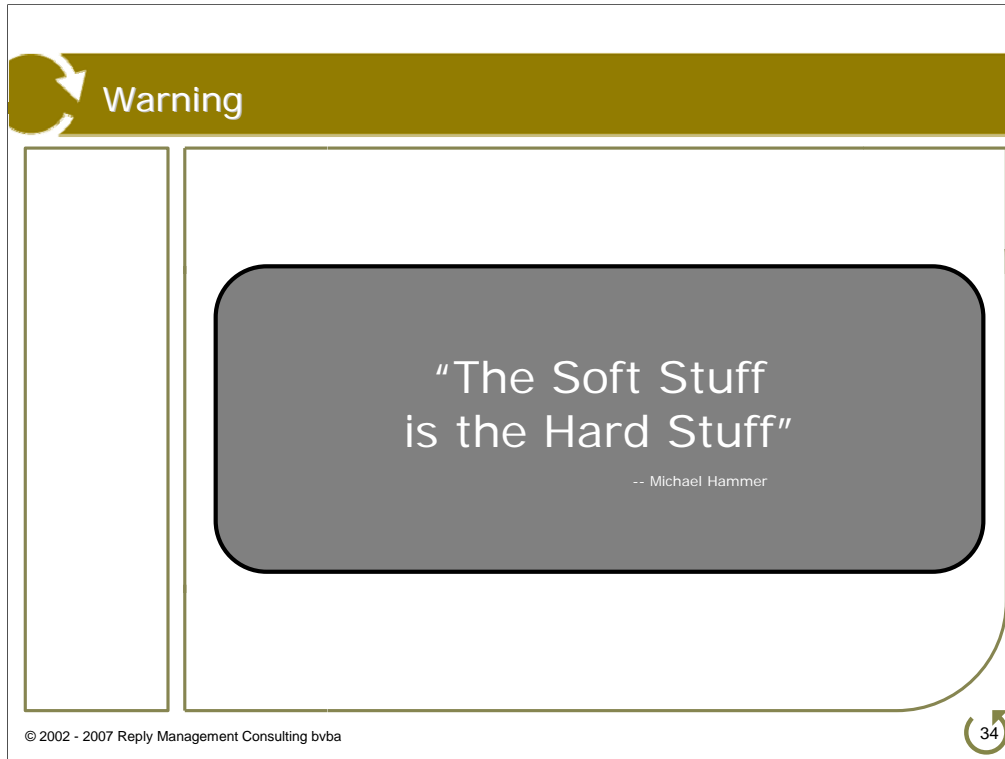
Which information has feedback?	TO KNOW Strategy	TO BE ABLE Skills	TO WANT Motivation
HAPPINESS "What are we relying on?"	"Finally something is about to change".	"I am curious about the properties of this new package".	"I'm nervous about what's coming our way."
FEAR What opportunities and dangers are we worried about?"	"Why change things when things also function this way?"	"Does this new system meet all our requirements?"	"I fear that this doesn't fit in with our company culture".
ANGER "What's on, what isn't? Clarity!"	"It's too early for that".	"Amateurs! I have a friend in company X and they took care of this problem in a much more efficient manner!"	"We're always the last to be informed".
SADNESS "What do we regret?"	"Why don't we inform our clients, because they will also experience disruptions".	"This new system is hindering our communication."	"Nobody asked for my opinion".

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Anger—Clarity. When we are angry, we are often very aware of what we want or don't want. This leads us to clarity about our objective and the objective of our team. Anger helps us to take decisions, to stay alert, and to stop confusion. There is a thin line between destructive anger and a vision that fuels a change. They both build on the same emotion but with a different sense of responsibility. When you allow frustrated people to find expression for their anger and you genuinely receive their communication, ask them what you could do to improve.

Fear—Courage. When we are afraid, this means we are approaching unknown territory. New opportunities arise when we have the courage to take that direction. Fear often works as an indicator towards dangers, but also towards new opportunities. Often, the most frightened people are the closest to building the courage to deal with the unknown. Courage builds on the same emotion that can freak us out. Surprisingly, when you allow frightened people to put their anxiety into words, they tend to make room for courage to meet the challenges they are facing.

Sadness—Contact. The essence of each relationship is contact. The measure in which we are in contact depends on the empathy and the self-confidence that we have. Cynicism, for instance, is a hidden form of sadness. Cynical people often are very good at sensing which relations are being left behind in a change project. Again, there is thin line between cynical reactions and emotional intelligence. The underlying emotion is the same. Although cynical people are tough, they also know exactly who is left out. When they see the purpose behind the change, they may even be the best relationship builders.



A presentation slide with a dark olive green header bar. On the left side of the header is a white circular icon with a right-pointing arrow. To the right of the icon, the word "Warning" is written in white. The main content area is white and contains a large, rounded rectangular grey box with a black border. Inside this box, the text "The Soft Stuff is the Hard Stuff" is written in white, with "The Soft Stuff" on the top line and "is the Hard Stuff" on the bottom line. Below the quote, in a smaller font, is "-- Michael Hammer". At the bottom left of the slide, there is a small copyright notice: "© 2002 - 2007 Reply Management Consulting bvba". At the bottom right, there is a small circular icon containing the number "34" and a right-pointing arrow.

Warning


"The Soft Stuff
is the Hard Stuff"

-- Michael Hammer

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Change Management Cooking Class

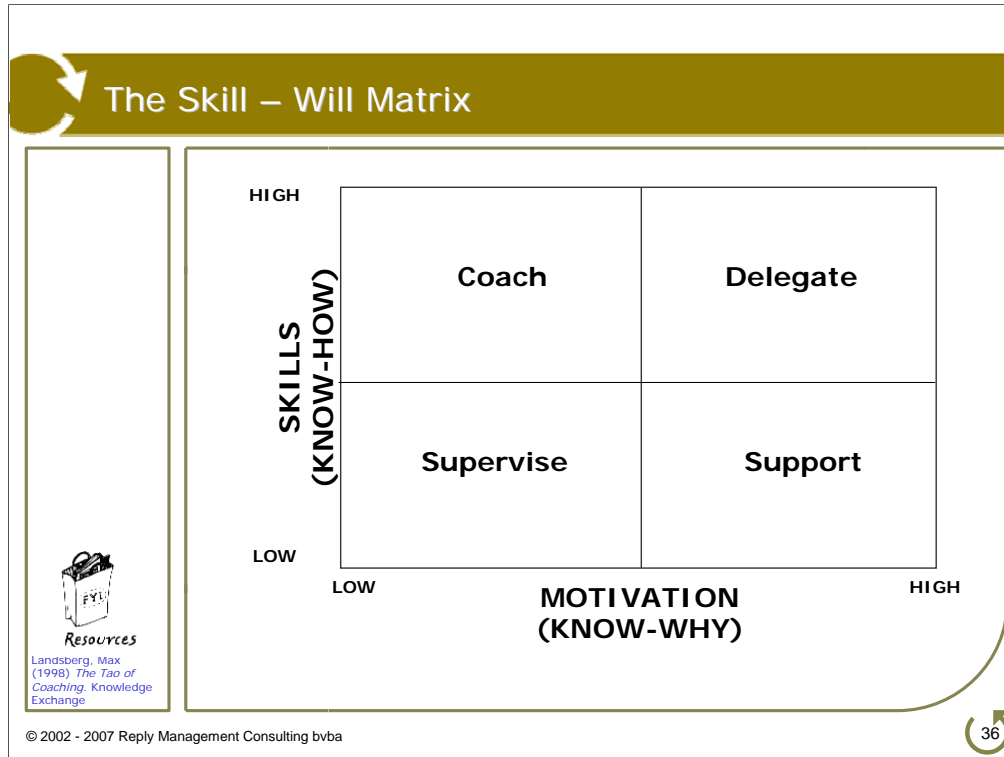


7
Tools for
Cooking
(Coaching)

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- The essence of cooking is in the execution of it – not in the planning and strategizing about it. In terms of organizational change this means that the work is done in interaction, through participation. And this will get you hurt, surprised, confused, excited, bored, scared, etc... So you need some tools to navigate and keep an overview throughout the adventures of human interaction.
- You may wonder how a coach divides his or her time with the team he or she has been assigned to. The easiest anchor point for coaches is found in two of the three ingredients of change. To know the optimal frequency, you need to examine the combination of the ingredients know-how and know-why.



- The so-called Skill-Will Matrix (Landsberg, 1998) in this slide can be used to this end. This matrix is often used to estimate the frequency of coaching. The model is based on four combinations, each with a different follow-up.
 - **Supervising:** The coach clearly defines the roles and tasks and supervises their execution. Decisions are made by the coach and communication is unidirectional.
 - **Coaching:** The coach still determines the tasks and roles but also asks the coached person for suggestions. Decisions are made by the coach, but communications are dialogue-based.
 - **Support:** The coached person accepts the decisions and executes against them. The coach facilitates decision-making but is no longer in the driver's seat.
 - **Delegating:** The coach is still involved in problem-solving, but the coached person is in the driver's seat. The coached person decides when and how the coach is involved.
- After a day or two of walking around and helping out people, you should be able to map the people on the Skill-Will Matrix. However, in practice we often find that coaches use this matrix to confirm their prejudices. Supervision for instance, will not inspire people to take responsibility and to work independently.
- The skill-will balance of a person is not a constant given; it evolves as time goes by. Nevertheless, it is a good guideline for estimating your timekeeping as a coach, especially when you are coaching an entire team.

Change Management Cooking Class



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Nutritional Pyramid

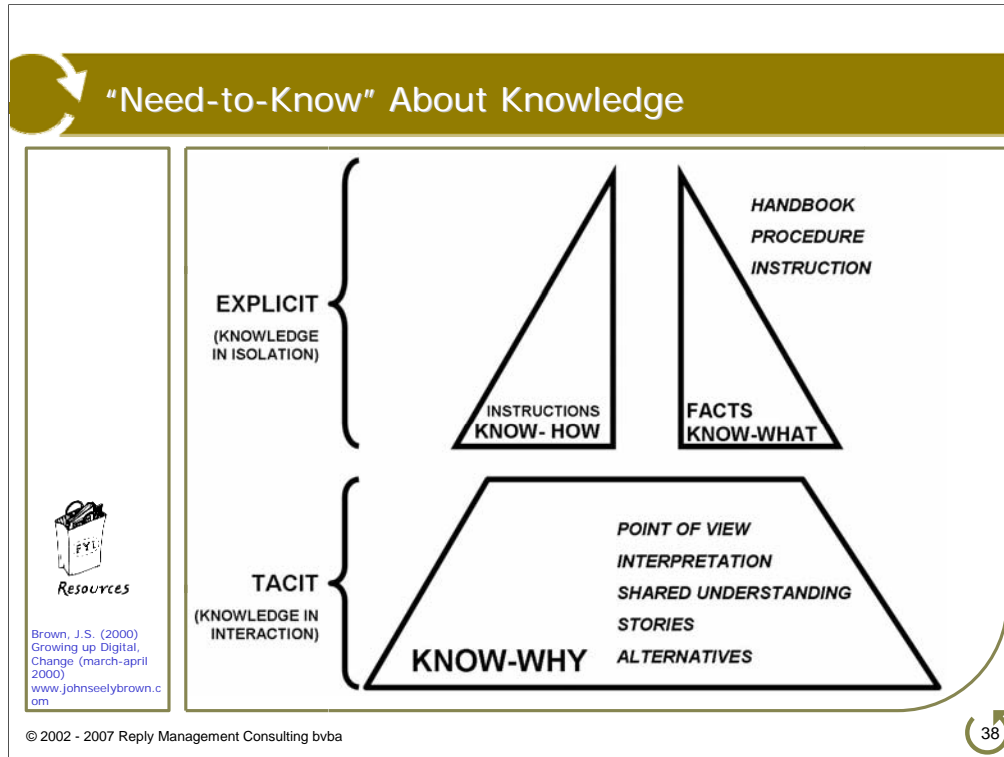
(Knowledge Management)

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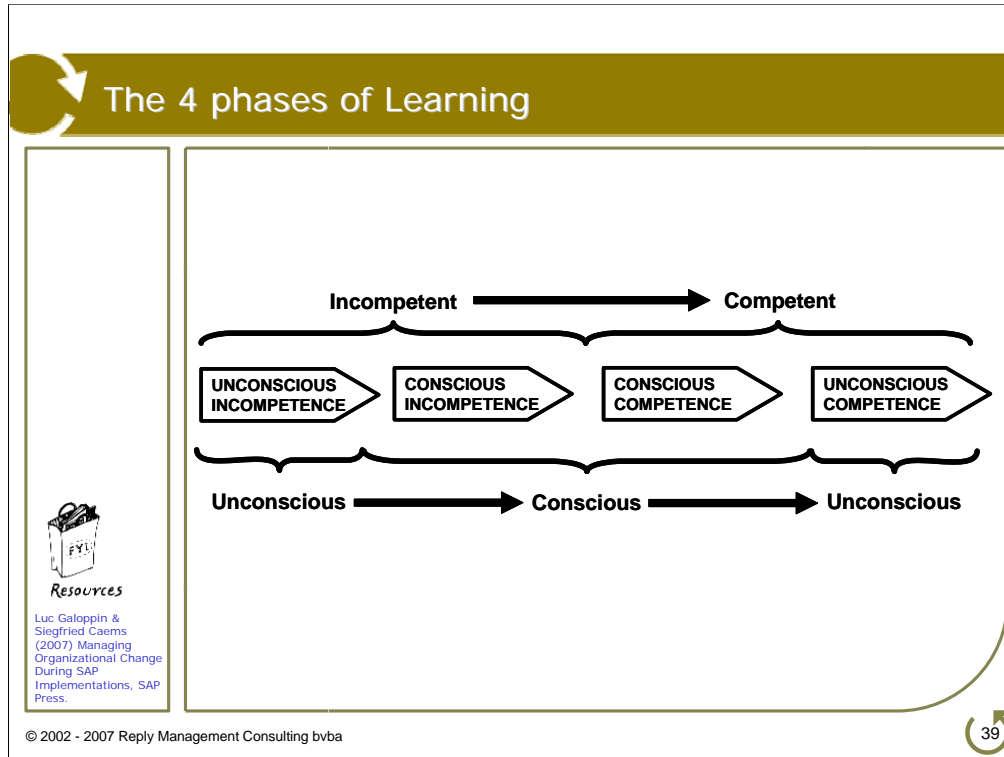
- Most change projects represent substantial investments in training and documentation. But sadly we never look at the result of these actions. The investments are considerable and the expected result is often not forthcoming.
- It's like going on a diet, doing everything according to the book and not losing a single pound.

Why?
Did we miss something?



- Instructions (*Know-How*) and documentation (*Know-What*) are only the tip of the nutritional pyramid. At the top of the pyramid you will find all the information contained in instructions, procedures and manuals. This is the knowledge transfer, which garners the most tangible investments. But the bottom part of the pyramid is much more important: the knowledge as it lives within the organization. This knowledge cannot be classified in an orderly manner; rather it's a bricolage (*) of all the formal knowledge featuring real issues, possible solutions, actions, war stories and your colleagues' experience.
- A manual or a procedure will not help you figure out whether a problem is important, or whether a solution is elegant, or whether it is even a solution. Real knowledge is not taught, it is experienced in the form of unwritten stories and conversation. If you're not present when the experience is created, you will not create knowledge. A perfect educational project, which is documented with the best manuals and elearning is still not a guarantee for successful organizational change.
- A second conclusion is that there is no such thing as an expert. It is wrong to express intelligence in terms of IQ because in reality intelligence is the social skill to work together in a network of experts. If we only take into account Knowledge and Skills in our project, we actually overlook the most important ingredient: Motivation.
- The real work of organizational change starts with the support of participation in the field. In the case of a change, in combination with a reorganization, follow-up in the shape of coaching is not a luxury.

(*) When using the word 'bricolage' we refer to an observation of anthropologist Claude Lévi-Strauss. He established that people don't use an algorithmic and logic approach in their thought process but that our mind works according to the principle of 'pick and mix'. A 'bricoleur' uses concrete, used materials to create something new.



Our biggest task in an organizational change will be to take people by the hand and eventually to make sure they can help themselves. This is the domain of learning. A useful way to understanding what happens when we go through a change is to look at what happens when we learn something new. Learning always takes place in 4 stages as shown in this slide:

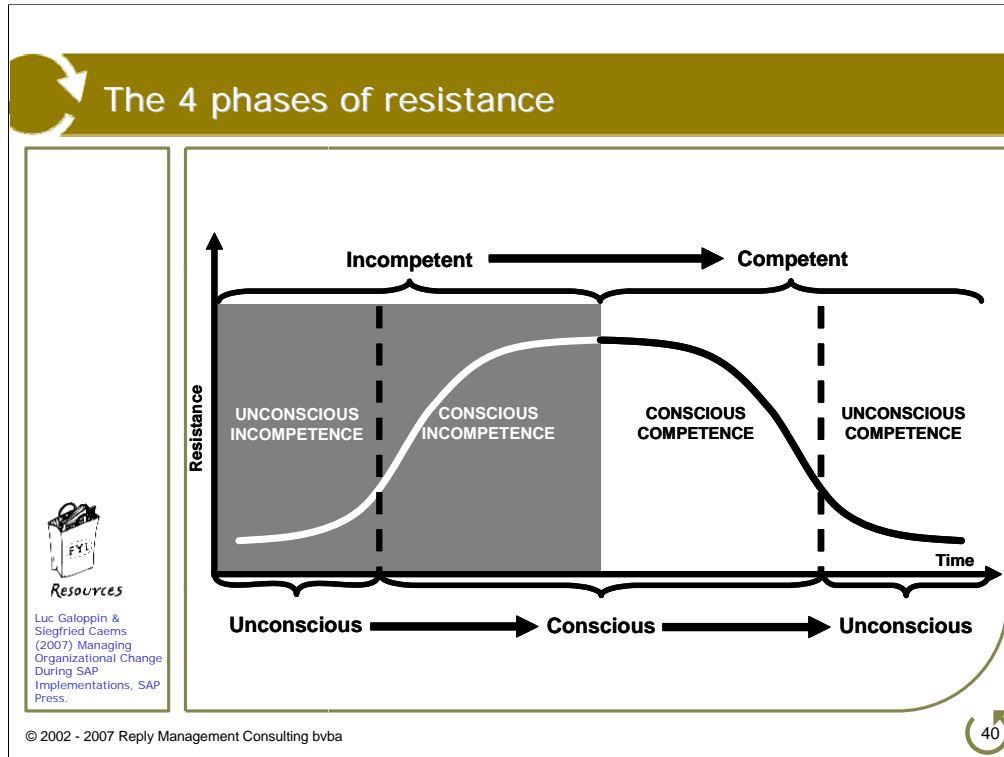
- Unconscious Incompetence
- Conscious Incompetence
- Conscious Competence
- Unconscious Competence

Take for example the first time that you drove a car. Your whole life until then you have been a passenger without any driving competence. But you are unaware of it because you never tried it.

After getting into the driver seat for the first time and trying to start the car and drive, you know enough to realize that you are incompetent at driving a car. You are incompetent, and your first confrontation with the dashboard, the gearbox, the steering wheel and the pedals made you painfully aware of your incompetence. You are now the second phase of learning: Conscious Incompetence. This is where the unfreezing happens in Organizational Change.

One day, you are ready to do the tests in order to obtain a drivers license. At that point you are most probably in the third learning stage: Conscious Competence. You are skilled at driving the car but it still demands a lot of your attention.

Finally, it is only after a long while that you will be able to drive the car as an automatic response, as doing normal checks, turning the keys and driving off. You accomplished the 4th learning phase: Unconscious Competence. The skill has become a habit by now, which requires no extra attention.



- When we translate this dynamic to the context of an organization and start to wonder what this means in terms of resistance, we will find that these 4 steps are a reliable indicator to predict when resistance will occur on a larger scale.
- As shown in this slide, people will only start to react to the change from the moment that they become aware of their own incompetence in the face of change. What's even more important is that this resistance is actually the learning tension that is necessary to absorb knowledge. The frustration of one's own incompetence is the best motivation acquire new skills and knowledge.
- In practice this means that you will get a lot of resistance in the classroom.



Change Management Cooking Class

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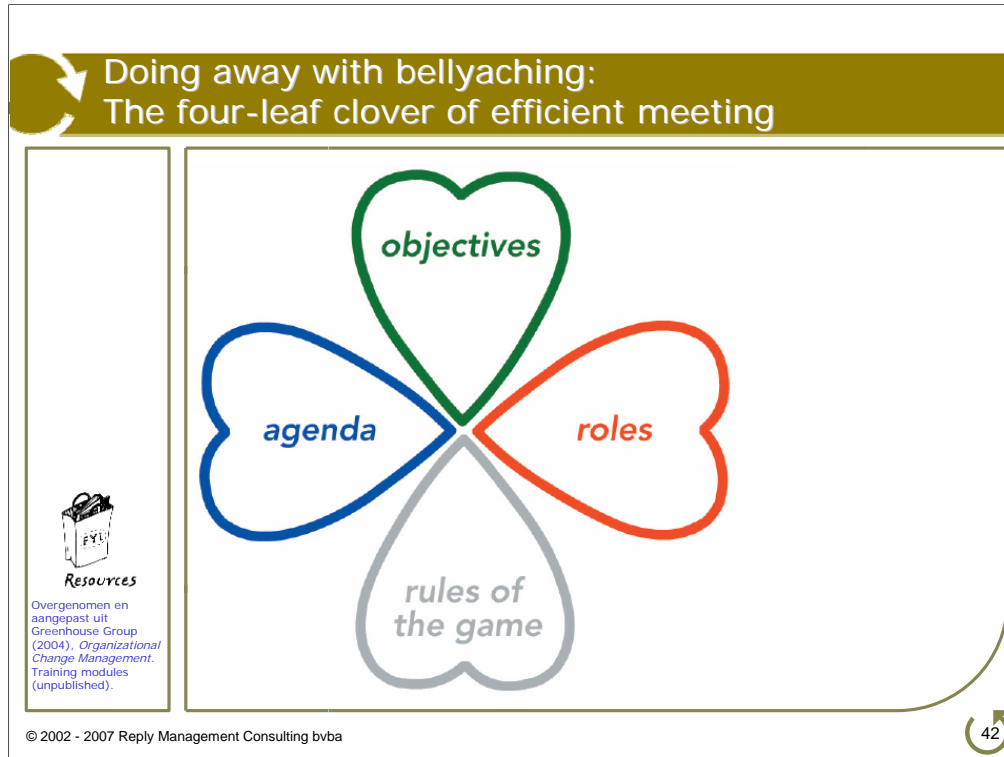
Fi ni shi ng Touch

(Meeti ng and Integrati on)

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- An organization does not grind to a halt while a project is preparing organizational change. We often find that 'our' project has to compete with one or more projects for the attention of the target group. It is therefore essential to continuously watch over the integration of your project within the organization. The organization and facilitation of meetings is the most important instrument to do so. Realistically the course of the project may be adjusted during the project due to a changing environment.
- The proof of the pudding is in the eating.




- When referring to the finishing details for a dish we are referring to the communications sauce that is poured over it. One of the most important communications instruments for a change manager is the meeting. In order to use this channel in the best possible manner you need to be aware of the different reasons why meetings are held:
 - providing/gathering information
 - generating ideas/brainstorming
 - listing of issues
 - solving of issues
 - taking decisions
 - generating solidarity with the team/teambuilding
- When people are not capable of prioritizing one of these targets the meeting has no just cause and the valuable time and attention of the participants is not used.
- Secondly, it is good to bear in mind that participants are entrusting you with part of their life, i.e. the time that you are meeting with them. Always ask yourself the three following questions (Jensen Group, 2004):
 - What is the participant getting from this meeting?
 - What is the participant's added value?
 - If the participant is suddenly taken ill, can the meeting take place without him/her?

“Excellence.
Always.”
-- Tom Peters

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Change Management Cooking Class



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Secret ingredient

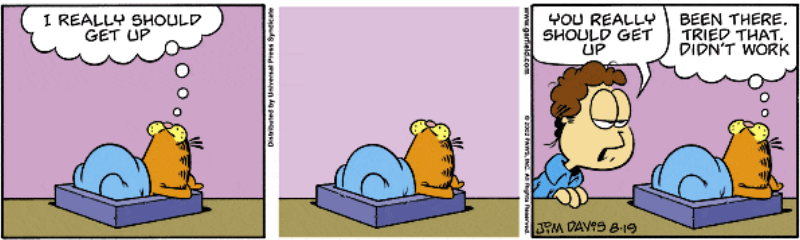
(Responsibility)

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- Focusing on cultural differences, analyzing, and interpreting cultural indexes and theories will only get you paralyzed because there is no true or false when it comes to cultures.
- But what is the one thing that blends it all together? What is the secret behind results?

Responsibility is a choice



- << Respons – Ability >>
- Theory of the free choice ↔ external control psychology
- Whose behavior can you control?

Resources

- Joseph Chilton Pearce
The Magical Child
Plume Books , 1992
- Glasser, William (1998). *Choice Theory. A New Psychology Of Personal Freedom.* Harper Perennial, New York.

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• Instead, we advise to focus on an ingredient that all cultures have in common, be it cross-national, cross-functional, crossgender, or cross-generational: Responsibility. This is a very simple, yet very essential insight of the book called *Who Moved My Cheese?* by Spencer Johnson (1998). According to Johnson, when something happens that interrupts our reality we can do one of the following:


- Put all our energy in trying to get back to how it was before (“Why is this happening to me, it’s unfair”);
- Take it as a starting point and look for other available options (“Something interesting happened, let’s see which options we have as a result of this change”).

• Responsibility is the specific ingredient that makes the difference here. Responsibility is a choice, not something that happens to you.

• Everything becomes clear when we study the English definition for “responsible”: It literally means “able to respond” or “being capable of responding.” When people choose to take responsibility in a situation, they co-own it. This insight is fundamental for change management. We always have the choice of becoming the owner or the victim of a situation. William Glasser calls this the Choice Theory. An owner will look for solutions; a victim will search for a persecutor or a rescuer.

Procedure to change: The \$64 Mio question

- **Who is responsible?**
(2 possible answers)



- **Which answer gives you most possibility?**

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- **Who is responsible?**

(2 possible answers)

ME

NOT ME (victim of circumstances)

- **Which answer gives you most possibility?**

ME (start there)

- **What is responsibility?**

Respons able => to be able to repond

- **It is a choice!**

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Thanks!

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- He is the co-author with Siegfried Caems of the SAP PRESS book *Managing Organizational Change During SAP Implementations*.

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