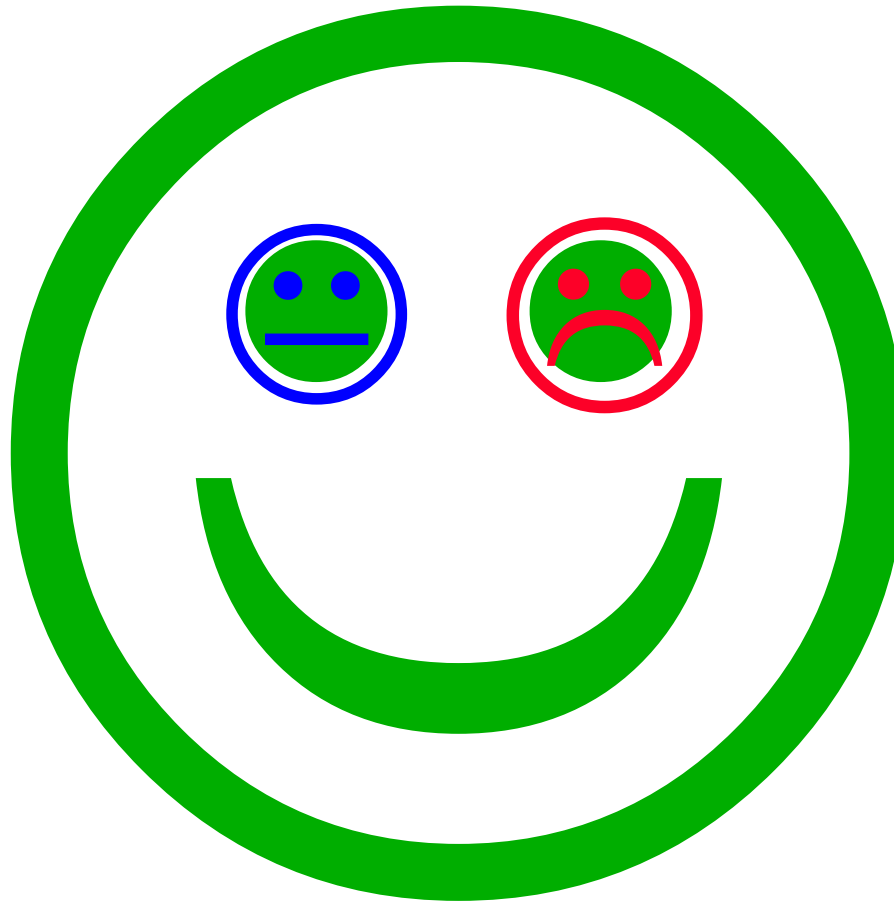


This Session ...

- Reviews what it feels like to have change done to us
- What happens to people during change
- How can we as leaders help mitigate the impact of organisational change
- Share some thoughts and views on ways of implementing the new changes
- Discuss some tools and techniques to help



Some thoughts before
to get started ...



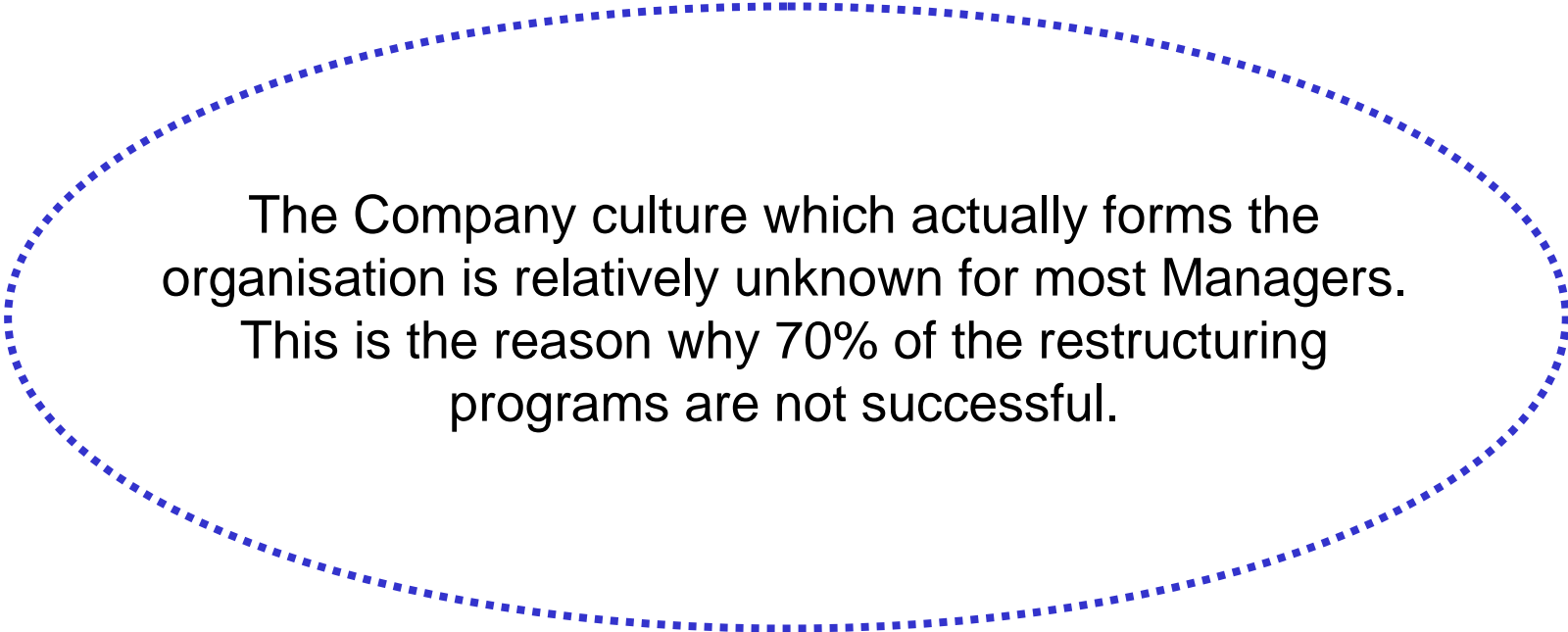
**70 % of major changes fail
only 30 % are successful**

- *BMW/Rover,*
- *Daimler-Chrysler,*
- *Take over of Dresdner Bank by Allianz.*



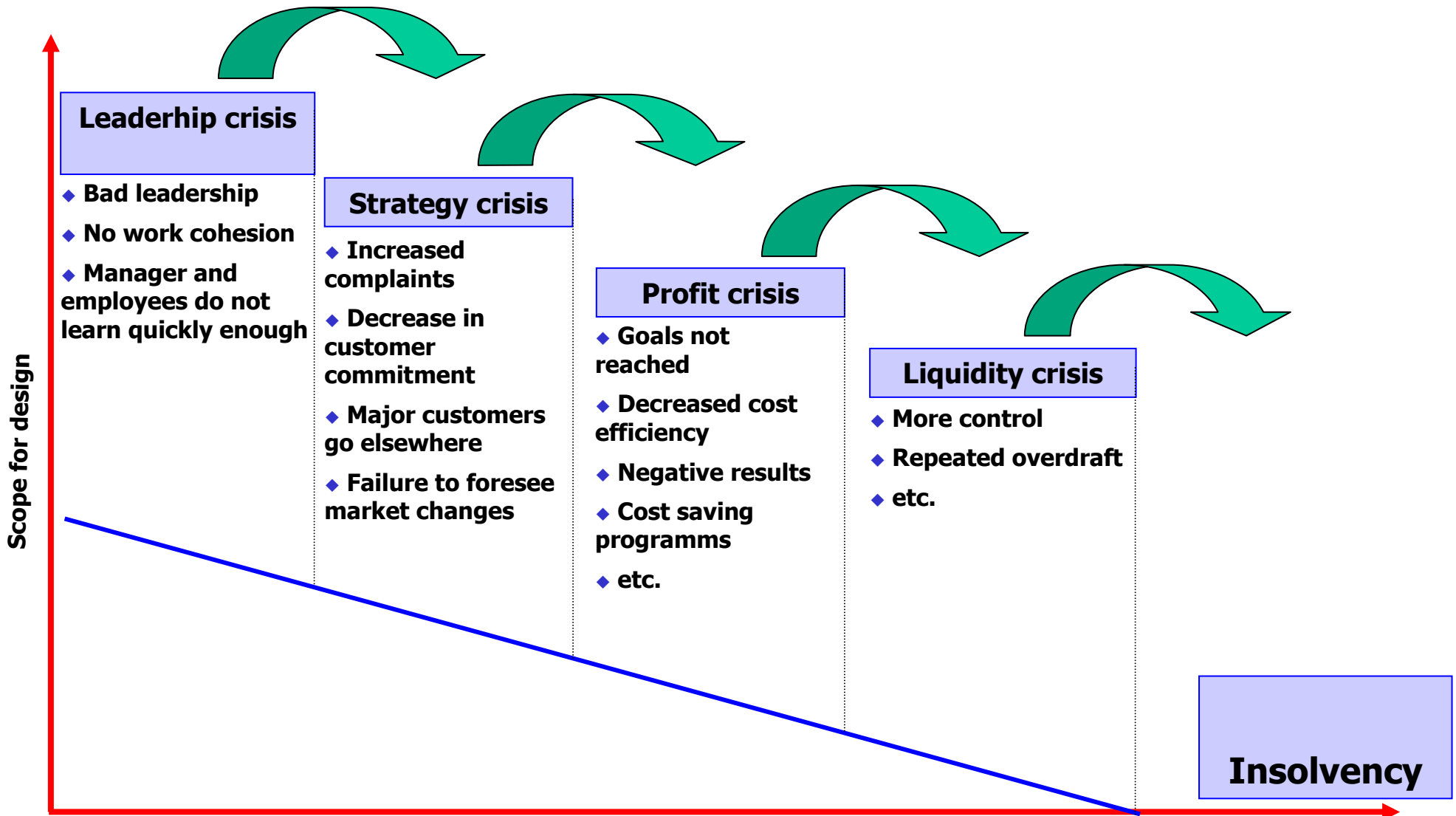
Reasons:

- Bad preparation, time pressure
- Risks and Challenges
- Managers are enough experienced



The Company culture which actually forms the organisation is relatively unknown for most Managers. This is the reason why 70% of the restructuring programs are not successful.

Source: James Champy, Hammer, quoted by manager magazin 5/94, S.172





**DON'T DISTURB ME - CAN'T YOU SEE
I AM BUSY WINNING THIS BATTLE**

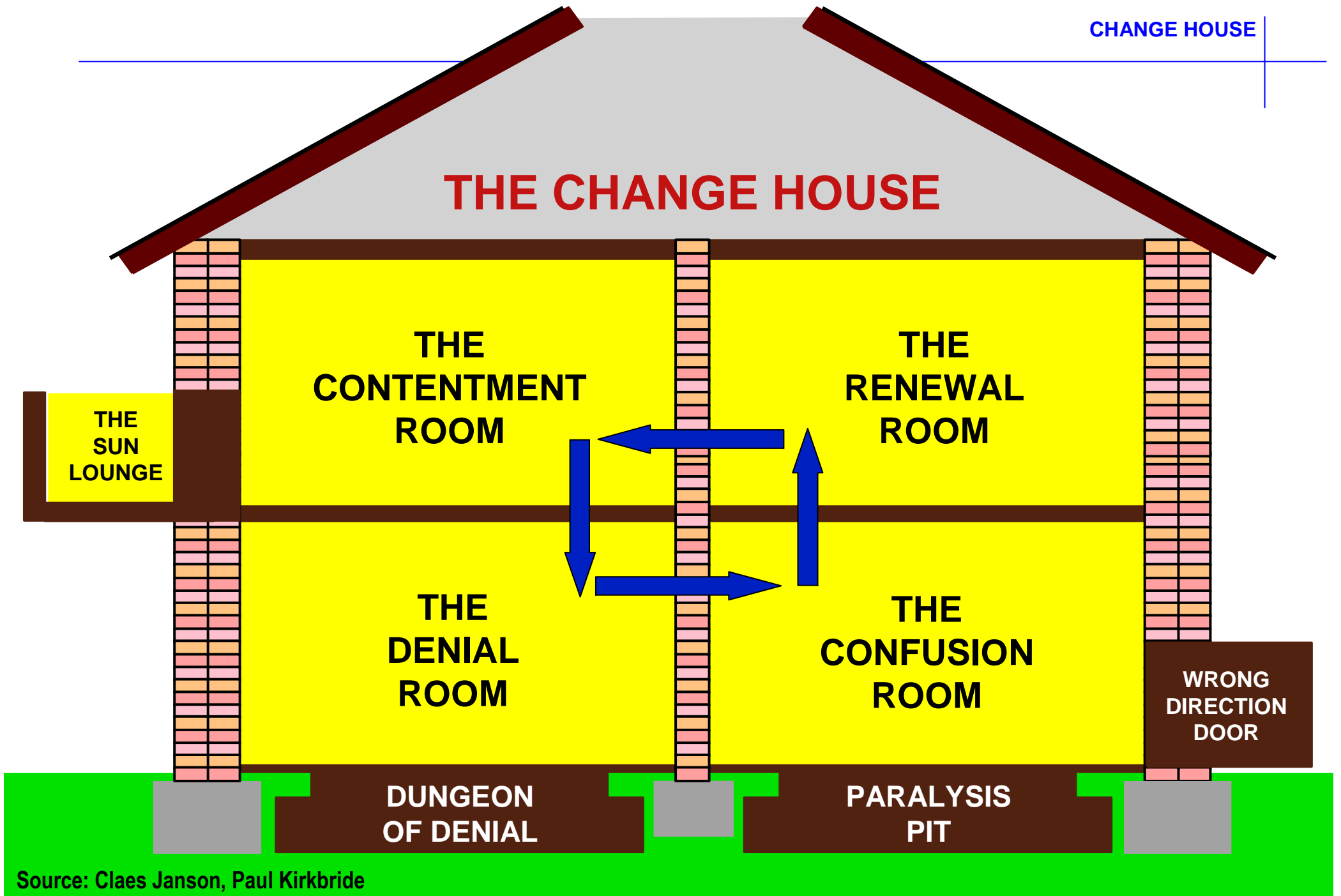


- We practiced without intermission, but everytime we wanted to form a group, we found ourselves being separated
- Later I learnt that it lies within our very nature to turn things upside down when confronted with new situations
- What a wonderful way to deceive progress, whilst one only ends up producing confusion, inefficiency and frustration

(Source: Petronius Arbiter, Satyricon 1. Century p.D.)

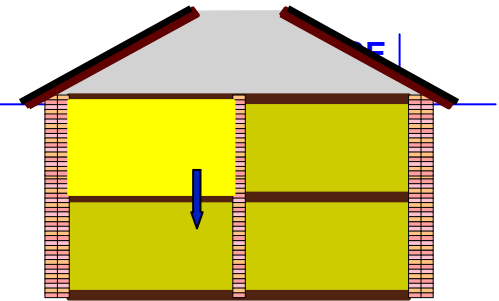
CHANGE HOUSE

THE CHANGE HOUSE



Source: Claes Janson, Paul Kirkbride

SIGNS OF CONTENTMENT



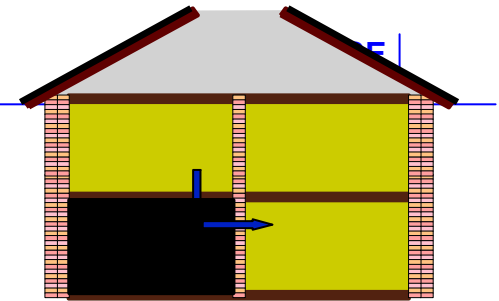
What we say

- *we're the market leaders*
- *if it isn't broken, don't fix it*
- *not invented here*
- *management has decided*
- *we know our customers*
- *we have a great track record*
- *we're the most profitable*
- *let's decide later*
- *we achieve our budgets*
- *we're the best*

How we act

- ❖ ignore the outside world
- ❖ bureaucratic
- ❖ arrogant
- ❖ uninformed about competitors
- ❖ don't listen to staff
- ❖ Head Office focus
- ❖ publish the company history
- ❖ no sense of urgency
- ❖ focus on day-to-day details
- ❖ automatic salary increases

SIGNS OF DENIAL



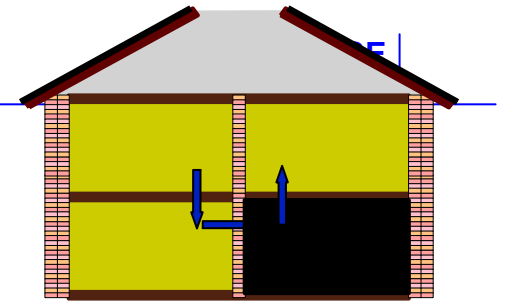
What we say

- *what problem?*
- *not my problem*
- *Corporate doesn't understand*
- *it's an industry trend*
- *my staff are no good*
- *competitors are worse*
- *we've always done it this way*
- *our business is different*
- *if adjusted for ... it's OK*
- *it's our customers' fault*
- *it's a short-term issue*

How we act

- ❖ defend the past
- ❖ defend the present
- ❖ aggressive
- ❖ protect the status quo
- ❖ maintain taboos
- ❖ kill the messenger...
- ❖ ... but miss the message
- ❖ blame everybody else
- ❖ don't listen to staff
- ❖ tell stories about past glories
- ❖ massage the figures

SIGNS OF CONFUSION



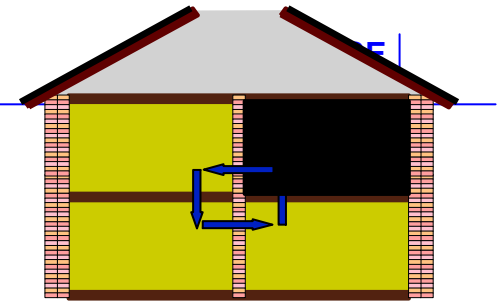
What we say

- *how did we get into this mess?*
- *let's hire some consultant*
- *what's happening?*
- *what have I done wrong?*
- *I've been saying that for years*
- *we did that years ago*
- *it's all my fault*
- *Help!*

How we act

- ❖ frustration
- ❖ depression
- ❖ anger
- ❖ withdrawal
- ❖ blaming management
- ❖ loss of self-esteem
- ❖ insecurity
- ❖ no sense of direction
- ❖ irrational behaviour
- ❖ set up committees, task forces
- ❖ slow
- ❖ never finish things

SIGNS OF RENEWAL



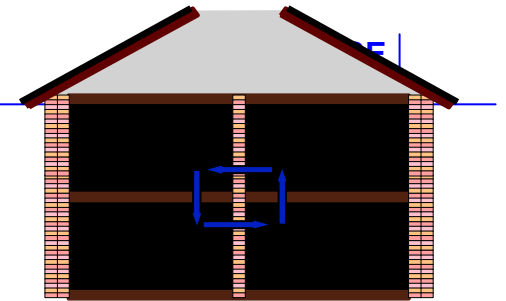
What we say

- *Let's make it happen*
- *let's do it together*
- *let's tell everybody about it*
- *now I understand it*
- *it's been tough, but we did it*
- *we're stronger now*
- *I don't really miss it now*
- *it's better than I expected*
- *we have to trust each other*
- *we could be better*
- *let's beat the challenge*

How we act

- ❖ **accept responsibility**
- ❖ **renewed energy, enthusiasm**
- ❖ **communicate**
- ❖ **listen**
- ❖ **learn**
- ❖ **trust**
- ❖ **delegate**
- ❖ **independent**
- ❖ **accept risk**
- ❖ **flexible, creative**
- ❖ **continuously improve**
- ❖ **set new targets**

USING THE CHANGE HOUSE



What can you do to help people move out of?

- Consider 3 headings:

What you might achieve:

- that people start to

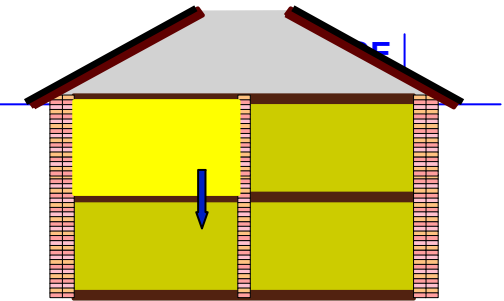
What you should NOT expect yet:

- that.....

Possible actions:

-
-
-
-
-

MOVING OUT OF CONTENTMENT



What you might achieve:

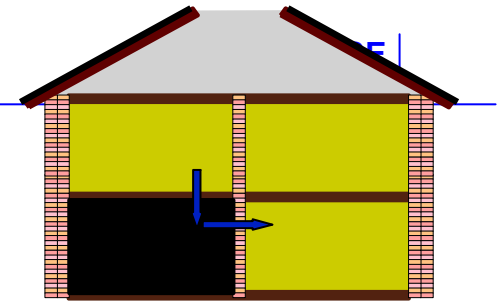
people start to think about the change

What you should NOT expect yet

people accept that things need to change

Possible actions:

- shock people out of complacency
- benchmark with best practice
- break up teams, move people
- define performance indicators
- give feedback about performance
- customer satisfaction surveys
- challenge assumptions
- get people to visit other organisations



What you might achieve:

people accept that something needs to be done

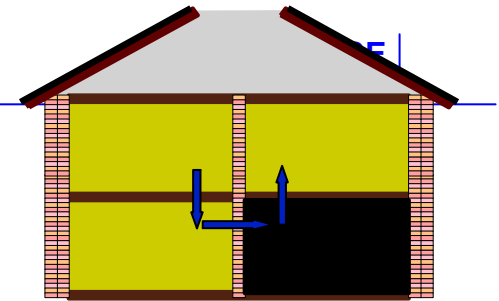
What you should NOT expect yet:

- they will see the way forward as clearly as you
- they understand what has to be done, and their role in it

Possible actions:

- continue to benchmark
- communicate the results to everybody
- explain the “big picture” (purpose, benefits of change)
- show respect for the past: avoid blame
- don't offer detailed solutions yet
- look for small, early successes
- give people time and space
- encourage positive health habits

MOVING OUT OF CONFUSION



What you might achieve:

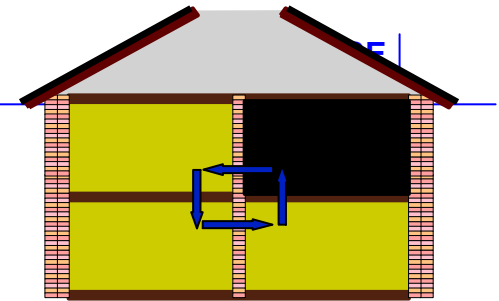
- people understand what needs to be done,
- accept their roles & responsibilities in it

What you should NOT expect yet:

- people stop talking about “the good old days”
- they don’t slip back sometimes

Possible actions:

- provide vision and overall direction . . .
- . . . but allow people to influence how to get there
- give a sense of ownership by allowing contributions
- encourage open expression of feelings, positive and negative
- emphasise what is not changing
- focus on concrete, achievable first steps
- give fast feedback about results
- reward desired new behaviours
- ensure systems and processes support the new approach
- improve the working environment
- encourage experiments



What you might achieve:

- people understand that Change is never-ending
- they are energised for continuous improvement

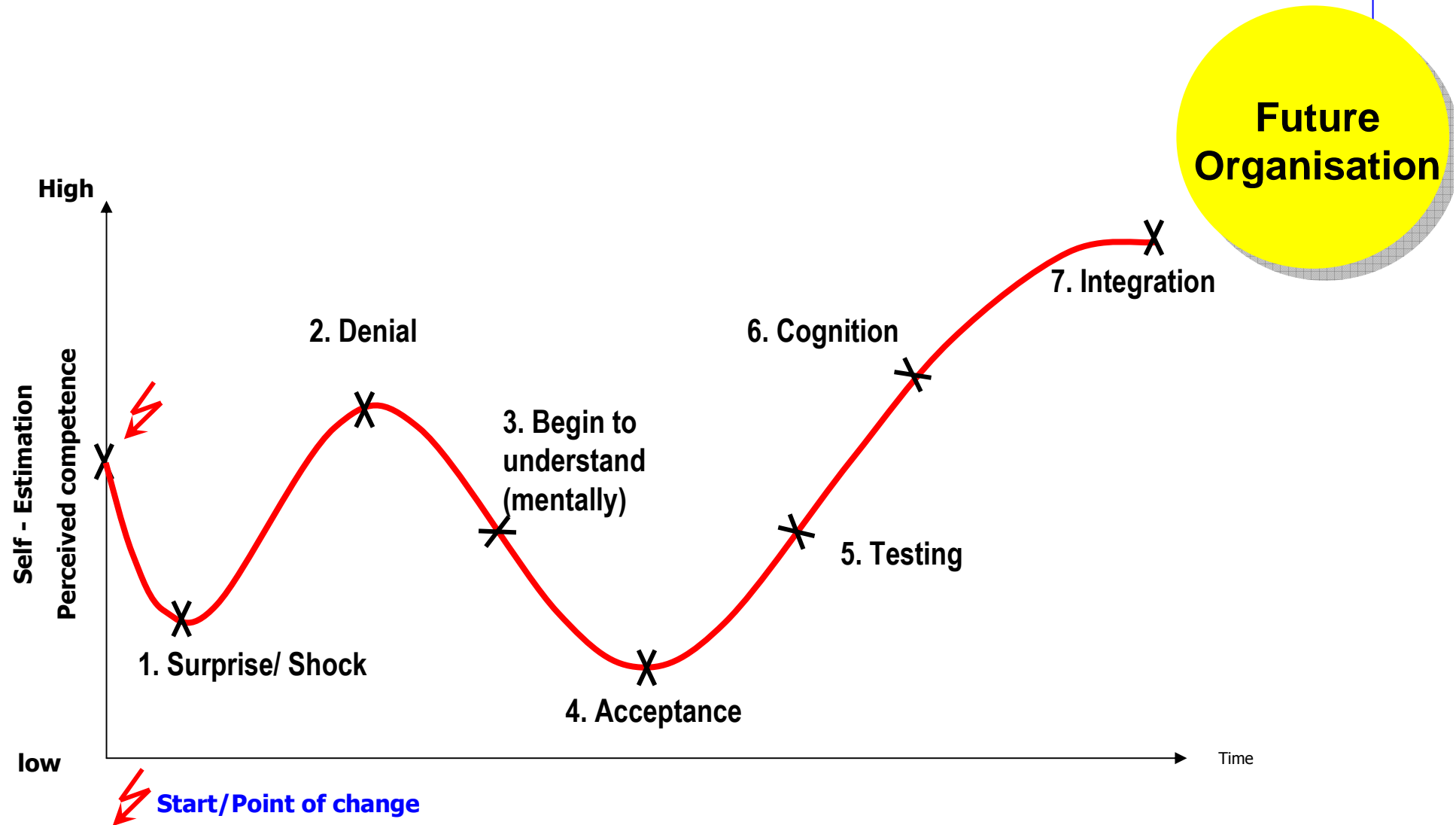
What you should NOT expect:

- nobody will ever slip back into *Confusion*
- nobody will ever slip forwards into *Contentment*

Possible actions:

- constantly “raise the bar”: increased targets
- keep providing benchmarks, surveys, feedback
- celebrate successes
- bring in outsiders
- use 360° feedback continuously
- encourage learning & self-development
- don’t punish unsuccessful experiments
- be alert for “Unconscious Incompetence”
- job rotation

How do people react to change?



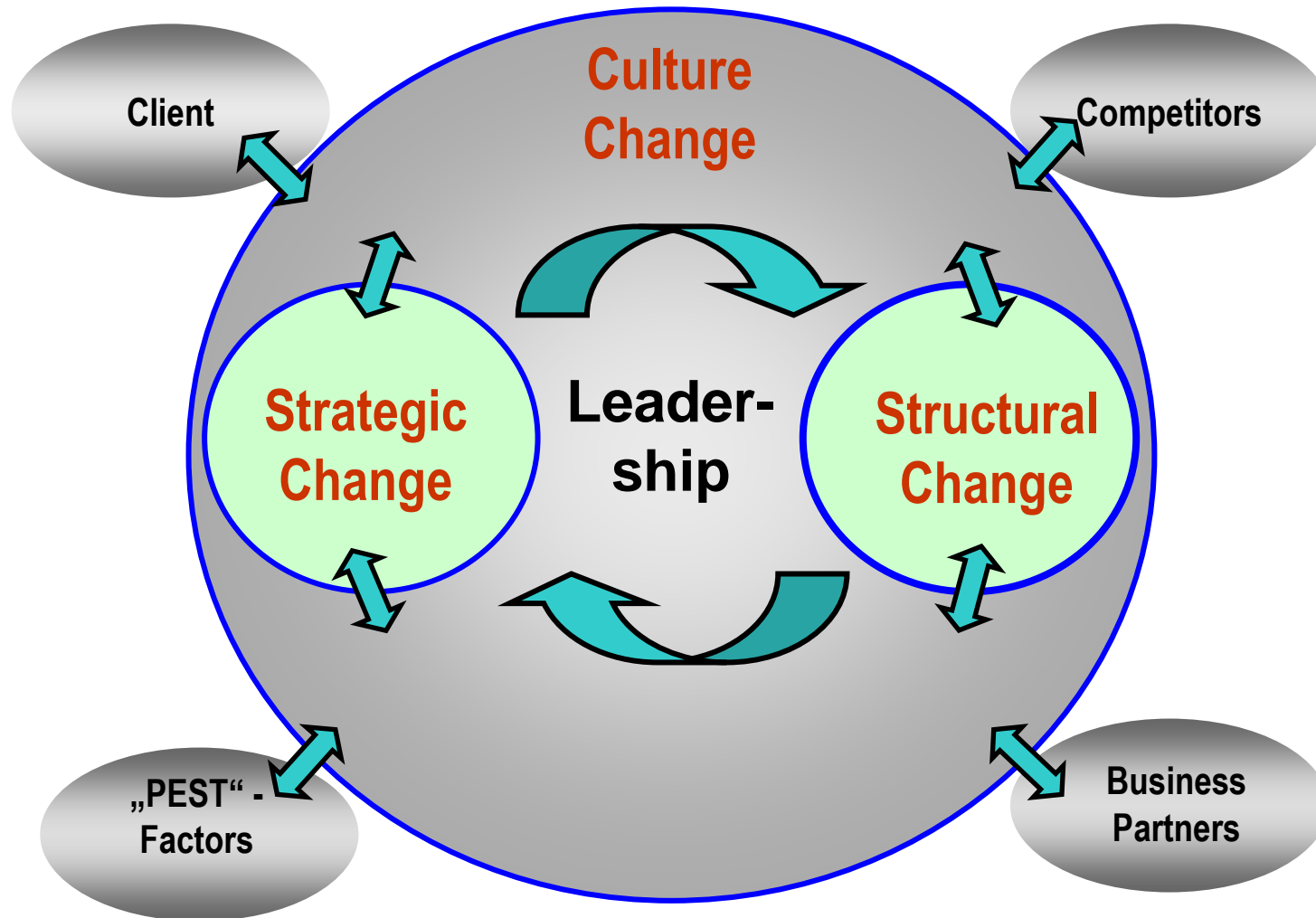


Das ist Courage !

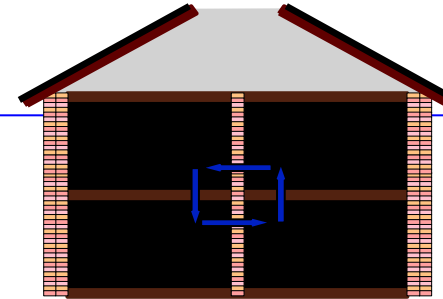


Karl Valentin

„In the Past...
...even the future
was better!“



Source: MZSG



- 1) What do you perceive as main reasons, that let your change projects fail?**
- 2) What can you do as a leader to avoid failure/ make the project successful?**

