

STRATEGIES FOR LEADING THROUGH CHANGE: PEOPLE MATTER

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Abstract

New leadership strategies founded on change management principles are necessary for survival in this unprecedented economic crisis. The focus should be on making the change real, making it work and making it last. Leadership is critical for creating an environment where effective change drives continuous improvements in business performance.

Obstacles to Change

Although businesses are constantly going through change, leadership experts say that 70% of all change initiatives fall short of expectations¹.

Kotter's classic work² describes eight reasons why organizations fail to change. These are:

1. Allowing too much complacency
2. Failing to create a sufficiently powerful guiding coalition
3. Underestimating the power of vision
4. Under communicating the vision by a factor of 10
5. Permitting obstacles to block the new vision
6. Failing to create short-term wins
7. Declaring victory too soon
8. Neglecting to anchor changes firmly in the corporate culture

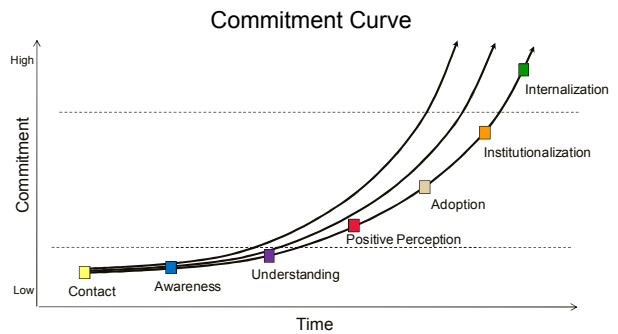
People issues are the primary obstacle to change, both on the *leadership* side and the *follower* side. On the *leadership* side we see problems with leader's inability to lead, management's inability to execute the strategy and ineffective leadership teams. On the *follower* side we see problems associated with the nature of the human being. People fear what they don't understand. People make assumptions based on their own experiences and perceptions. People naturally resist change.

Nevertheless, at the outset of change you find innovators and early adopters. These individuals are critical in building the necessary guiding coalition and should be leveraged to gain the support of others.

Commitment to Change

People exposed to change travel through a commitment curve. The *Commitment Curve* illustrates the different stages of change that people must go through for sustainable transformation. Commitment to a change starts at *contact*, where people have heard that a change initiative exists, all the way to *internalization* where people own the change and are creating their own innovative ways to change³. Informed and engaged people react to change in

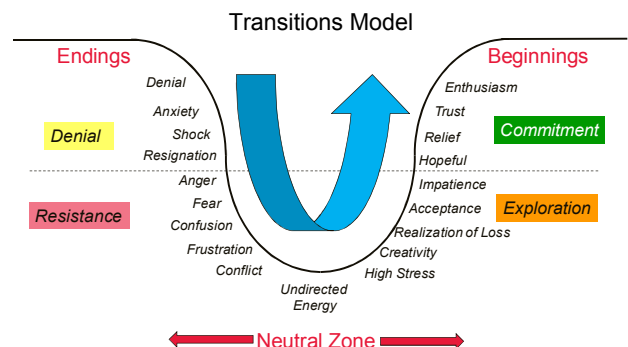
a predictable sequence: first becoming aware that change is coming; next understanding what the change means; then accepting that the change is a good idea; and, over time, committing themselves to its success.



While the speed with which an individual moves up the *Commitment Curve* may vary, the stages themselves are inevitable. Leadership must carefully inform, educate and commit to the vision in order to help people move up the *Commitment Curve*.

Transitions

Change is situational. It happens when something starts or stops, or when something that used to happen in one way starts happening in another. But acceptance of change is transitional. People exposed to change undergo several psychological stages by which they come to terms with the new situation. Although the original model of transitions was based on five stages of grief⁴, people exposed to change undergo similar stages. The model has evolved into a change management tool with one popular version consisting of three phases of individual transition⁵. The phases are *Endings*, *Neutral Zone* and *Beginnings*.

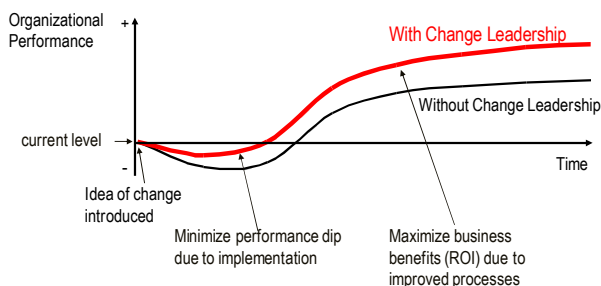


Endings involve loss of the old situation and identity. It is like a small death with typical stages of mourning. The *Neutral Zone* is a state that lies between the old reality and new reality. It can be a time of confusion, with swings between hopefulness and despair. It is like an incubation period that holds creative potential and the test of new ideas. Lastly the *Beginnings* phase brings acceptance and incorporation of a new sense of reality. It involves new visions taking root after the old visions have been put to rest. The *Beginnings* phase builds on the new orientation that emerges in the *Neutral Zone*.

Everyone goes through these three phases of transition but they can go through them in minutes, in days, or even years depending on the change, their perspective of the change, and the way it is managed. Leadership must understand that unless transition occurs, people will not commit to change. The role of leadership is to understand the phases of transition and identify how people are feeling. It is important to recognize that it is normal to be experiencing a variety of emotions and to help people move quickly through the disbelief and anger and into the solution phase.

Risk of Not Managing Change

Without effective change management, the likelihood of successfully implementing change decreases. At the outset of change, many organizations experience a loss in productivity. Effectively managing change reduces the productivity loss, speeds the realization of the benefits and lowers the total costs.



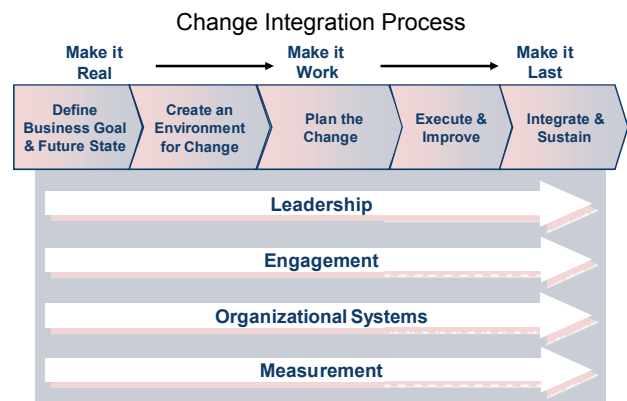
Why Change Management

A change management model can help assist in successfully driving change by:

- Introducing a framework for thinking through change
- Prompting leaders to design a process for change and create conditions for success
- Providing tools and techniques to apply to the change initiative
- Sharing best practices
- Enhancing leadership's ability to lead and facilitate change

If the change is managed appropriately, it can result in a positive business impact. By proactively leading change, organizations will achieve their business goals more quickly. Strategies for leading through change minimize employee resistance, the number one obstacle for successful implementation of a change initiative. The right strategy will also minimize the dip in employee productivity by improving employee morale and capabilities through involvement, communication, and education. Leading through change requires a robust change management process in place.

The Johnson & Johnson *Change Integration Process*³ involves getting individuals and groups *ready, willing, and able* to implement and sustain new ways of working. The *Change Integration Process* consists of 5 phases and 4 change levers that cut across all phases of the change integration process.



The 5 phases of the *Change Integration Process* are:

- Define business goal and future state
- Create an environment for change
- Plan the change
- Execute and improve
- Integrate and sustain

The 4 levers of the *Change Integration Process* are:

- Leadership
- Engagement
- Organizational systems
- Measurement

Leading through change requires well established conditions for success including:

- Clear understanding of the readiness for change
- Clear communication of the business goal and desired future state
- Commitment to the desired future state
- “People” engagement in the planning and execution of change
- Ability to implement and sustain new ways of thinking.

People will look at change in terms of its perceived impact on them and their ability to succeed in doing what is expected of them. People will resist changes when they

don't see the problem or the opportunity (the need for change) and when they perceive that the solution will diminish them in some way. Most people genuinely want to do a good job and contribute successfully to the organization. People want to be part of something bigger than themselves. They need a purpose. It is the leader's role to create the purpose, a compelling case for change and a strong sense of urgency. It is the leader's role to keep everyone focused on what could be.

What is Expected of Leaders During Change

Leaders must help people with their individual transition journey so they move faster up the commitment curve. What people in transition want is empathy, information and ideas. They want to see their leaders and hear where they stand. Leaders must demonstrate in words and actions that going back is not an option. During change leaders must:

- Discuss the vision and the goals
- Demonstrate personal accountability
- Communicate, communicate, communicate
- Provide structure and direction
- Be visible
- Inspire and motivate others
- Listen
- Promote collaboration and teamwork
- Have meetings
- Build on possible opportunities and new learnings

What leaders do and say is important but how they communicate is more important. Face to face communication is by far the most effective way to convey a message and establish direction.

Tools for Change Management

The Johnson & Johnson *Change Integration Process*⁶ consists of a toolbox with numerous tools that can be used to effectively manage change at each one of the 5 phases of the process. There are 3 important tools that should be used in every change effort. These tools are: *Business Needs Assessment*, *Critical Success Factors* and *Stakeholder Analysis*.

Business Needs Assessment

The *Business Needs Assessment* tool is used very early in the change process to help define the value or need for the change initiative. It helps define or clarify the sense of urgency and provides leadership with a business case for change and the strategic importance of the change initiative.

	Impact if we do not change	Impact if we implement ineffectively, at too high a cost and / or too slowly	Impact if we change effectively
Culture / Values			
Strategy			
Performance / Results			

Critical Success Factors

The *Critical Success Factors* tool is also used very early in the change process to identify the key results for your change initiative. It's a great way to identify the key things that must happen if the initiative is to be successful.

Must Do's (what must be done?)	Must Have's (what needs to be in place?)	Must Results (what do we need to achieve?)	Must When's (what is the timeline?)	Must Who's (who must be involved?)

Stakeholder Analysis

The *Stakeholder Analysis* tool is used during the second phase of the change process to identify and build the commitment of those persons or groups who have an interest (stake) in the outcome of a change. This tool helps you answer the questions, "Who are the stakeholders?" "Where do they currently stand on the issues associated with this change?" "Where do we need them to be in terms of their level of support for the change?"

Stakeholder	Degree of Commitment Required	Current Degree of Commitment	Drivers	Restraints	Influence Strategy

This tool assumes the following:

- A “critical mass” is essential for launching, accelerating and successfully implementing change
- Some stakeholders can be moved to a higher level of support
- Some stakeholders may not need to have a “high” level of support for the change to be successful

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Conclusion

Leading change successfully requires people. Leadership is the most important factor to make change happen in organizations. Leaders can help people develop commitment and go quickly through the psychological phases of transition. To do this, leaders must create and re-create a sense of urgency that keeps people focused on what could be. Leaders must re-recruit during times of significant change and transition to build a strong coalition to drive the change. The opportunities to demonstrate leadership are present every day in every interaction.

Acknowledgements

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Biographical Sketch

Dr. Norka Saldaña is a Senior Consultant with ValuMetrix Services, Ortho Clinical Diagnostics. She has over 16 years of leadership experience in corporate, manufacturing and healthcare environments and academia. Her primary role is to lead cross-functional process improvement initiatives utilizing Lean, Six Sigma, and Design for Six Sigma methodologies. She is a Johnson & Johnson certified Master Black Belt and has PhD and MSE degrees in Industrial & Operations Engineering from the University of Michigan. Prior to joining Johnson & Johnson, she served as an assistant professor at the