



PERSPECTIVES ON CHANGE MANAGEMENT

Why the psychology of change matters to your company

How translating this psychology into your plans can make change more effective

Implementing change works better when the “Why” is first fully understood by all

This short note on implementing change outlines how the relationship each employee has with the company needs to be understood and can be used as a foundation for buy in and commitment to change.

WHY CHANGE CAN BE DIFFICULT

Adapting and changing in response to your market is a critical success factor for your business. Change is notoriously difficult because what the company asks of staff – their psychological contract - is implicitly being changed. This contract reflects the balance between employees’ expectations of their inputs and the resulting reward they achieve. The longer an employee has been with the company, the more likely it is that the proposed change will disrupt a highly-valued aspect of their relationship with the company; for example from the employee input side: mobility, supervision, leadership and from the reward side: responsibility, status, respect, control and influence.

Understanding the psychological contract and the stage each employee is at is the effective

Understanding the psychological contract and the stage each employee is at is the effective manager’s greatest tool in implementing change. The state of the contract with each employee cannot be objectively measured, managers need to rely on their judgement which improves with practice.



THE EMPLOYEES' PERSPECTIVE

Implementing change works better when the “Why” is first fully understood by all. This requires a serious time investment and needs to be completed before embarking on any change framework (e.g. ATRT) and is core to delivering on the psychological contract. The buy-in of key influencers comes from effective management of their psychological contracts; their participation in change needs to increase their sense of responsibility, leadership and ability to innovate. “What’s in it for me?” is the key question that needs to be answered for each influencer. It is useful to make a note of the motivations of each key advocate and think about how the change process can be managed at an individual level.

A sound understanding of these philosophical contracts will also help to deliver more. Managers most often leverage the deeper areas in the iceberg. This is where the employee is most invested and, on the input side, where managers are expected to deliver results.

HOW IMPORTANT ARE VALUES?

A company’s values demonstrate how it does business and for what. Many companies have explicitly stated values, while all companies have implicit values which are quickly understood by all staff. To achieve buy-in, staff must perceive that the change being implemented will create even better values. A perception that a value is being weakened, or removed without a good substitute, will result in a failed change process.

HOW STORIES HELP

Stories can be used to help communicate, often better than anything else, what is expected of employees and how they can deliver success. For example, the BRAVE culture at DHL (Behaviour, Relationships, Attitude, Values and Environment) helped the company re-focus on their customers with significant benefits (a 95% reduction in mis-directed packages). Change is difficult; creating stories can help the *new* way of doing things to become *the* way of doing things. Becoming a great and continuous story teller is an easy and powerful tool in delivering change.

LEADERSHIP AND BEHAVIOUR

A transparent leadership approach and more deliberate management is needed during periods of change. Understanding your true style will help you implement change, particularly when the change is relatively prescriptive. It is important that the leadership style is not changed during the process, this will come across as phoney and buy in will be lost.

Since passion and commitment will support authentic leadership, it is important not to start something that you cannot be truly passionate about. Leadership wins over process, and transparency supports an authentic approach and helps to communicate the “Why” and achieve buy in across the board.

PERFORMANCE MANAGEMENT DURING CHANGE

The expected impact of the change on the business needs to be examined in detail before implementation. It is important to measure this impact as the deployment happens. Is there a risk that the change is resulting in an unsustainable shift in culture and goals? Relative individual performance needs to be assessed using fair and consistent methods and ensuring that everyone has the knowledge to do their job under

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the changed conditions. At the organisational level, it is crucial to hold the organisation, and not just the people, to account.

WHEN CHANGE FAILS

Change may not deliver all that is hoped the first time around. As a change leader, your acknowledgement that the implementation process needs work will retain buy in, especially if key influencers are facilitated in improving the process. As a change leader, your consistent commitment in the face of unexpected challenges will increase the understanding and importance of the change process.

Attitude rather than skills has the prime role in delivering successful change

TOOLS FOR SUCCESS

1. Plan, plan, plan
2. Break the implementation into the smallest meaningful blocks of change
3. Train, train, train
4. Measure, measure, measure
5. Tough love – there is no mercy for anyone not on the journey
6. It is attitudes, not skills that deliver successful change

There is a major difference between giving weaker performers the opportunity to improve and not tolerating those that are not with the program. The difference is attitude – when the attitude is right, you can deliver success, when it isn't, even with a high performer, tough love needs to be shown so that staff see how important the program is to the company.

CONCLUSION

Adopting a transparent approach to change management can help deliver better results. Understanding and leveraging the psychological contract between the employee and the company is an important tool in delivering change. Clearly relating the story of the changed culture and organisation helps staff embrace new practices. Leadership commitment to the change and to improving the implementation process supports buy in across the company.

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Please feel free to contact us at info@pragma.ie if you have any feedback or questions on this note. We would be delighted to hear from you.