

CHANGE MASTER SERIES

From the abyss to the lighthouse™

Six principles for successful change implementation

By Edmond Mellina

For business leaders, the ability to introduce change into their organizations has become a major determinant of career success or failure. Unfortunately, because change is both an art and a science, there is no recipe to guarantee success. However, there are six basic laws of organizational change. The best strategy consists of using these principles as a guide while remaining highly adaptive throughout the implementation.

LEADERSHIP
Excellence

This article first appeared, in a condensed form, in *Executive Excellence*, the US-based magazine of leadership development, managerial effectiveness and organizational productivity (www.eep.com). Other contributors to the magazine include renowned experts Tom Peters, Warren Bennis, Ken Blanchard and Stephen Covey.



ORCHANGO is a division of TRANSITUS Inc. • WWW.ORCHANGO.COM

Copyright © 2002 by TRANSITUS Inc. All rights reserved. • WWW.TRANSITUSINC.COM

Unauthorized distribution, reproduction or presentation **strictly** prohibited.

From the abyss to the lighthouse™

Some twenty-five centuries ago, the Greek philosopher Heraclitus said, “Nothing is permanent but change”. Today, few in the business world would argue. The economy has gone through a dramatic transformation in recent years, and the pace of change keeps accelerating. For business leaders, the ability to introduce change into their organizations has become a major determinant of career success or failure.

Unfortunately, implementing change is a complex, untidy and laborious process. There is no ‘template-approach’ to guarantee success. Each situation offers challenges as unique as the people involved. Inevitably, unforeseen and formidable forces will threaten the effort. And as the environment continues evolving, the initiative’s objectives and assumptions seldom remain frozen.

Does that mean implementing change is just an art, and not a science? No, it’s both. Executing change is essentially a process, governed by a set of basic principles. Until executives and their agents thoroughly understand the mechanics of organizational change, initiatives and careers will continue to be derailed. In the following pages, we present six guidelines for successful change. Upcoming articles will provide pragmatic tools and advice that build upon these principles.

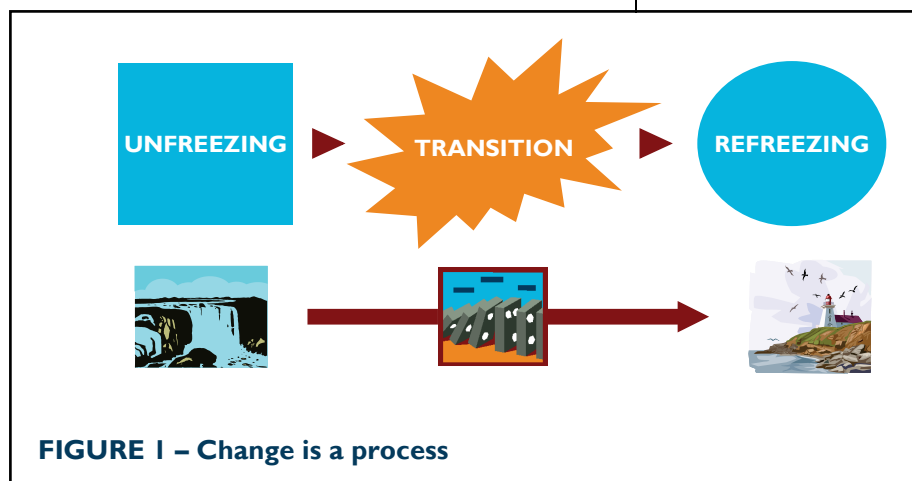
For the change leader, the best chance of success is to let these principles act as a guiding hand while adopting a flexible and responsive approach to implementation.

Change is a process

Change is about adopting new behaviors, developing fresh attitudes, and doing things differently. In the change literature, the process is often decomposed into three basic phases. The first stage involves breaking the status quo – the established way that represents a comfortable cocoon for most people. Any change initiative must start by applying appropriate forces to disrupt the status quo. This initial phase is referred to as **unfreezing** (Figure 1). When a new CEO is appointed or a merger is announced, the organization expects some level of change. Corporate events of this nature bring an opportunity to break the status quo. However, in most situations, the unfreezing will have to be orchestrated by the change leaders.

Once the original situation is unfrozen, the **transition** phase can begin. During this period, people gradually disengage from the status quo and start to behave differently. The transition is by far the most challenging of the three phases: the organization is in a state of limbo, between where it used to be and where it needs to go. Because of the instability, uncertainty and conflicts, people grow uncomfortable. They feel a loss of control and power. Stress levels climb. People are tempted to return to the status quo and resistance develops.

A properly managed transition will result in the organization ultimately reaching the desired state. However, the journey is not yet complete. The new way must be **refrozen** in order to become the next status quo and avoid the disappointment of a late-stage failure.



Major change requires an abyss and a lighthouse

Consider the case of Antoine. An ultimate chain-smoker, he religiously consumed two packs a day for over 30 years. His spouse and three kids were constantly pressuring him to quit, a message that was reinforced by their family doctor. Antoine continued enjoying his addiction. One day, at 56, he collapsed and had to be rushed to the nearest hospital emergency. The surgeon who saved his life was straightforward. “If you don’t quit smoking now”, he said, “You will be gone by Christmas!” Antoine quit immediately. He hasn’t smoked

The lighthouse guides the organization while it navigates the rough waters of the transition.

since. The morale of the story is that you won’t change dramatically unless you have a strong reason to do so.

As previously discussed, embarking on a transition always involves pain. The more drastic the change, the greater the pain. Consequently, a major change should only be considered when the status quo represents significant or increasing pain. If it doesn’t, the organization will resist the change. However, once convinced they are heading towards an **abyss**, people will readily start to move away.

If the thought of plunging into an abyss gets people going, it doesn’t point them in the right direction. In addition to the abyss, people need a **lighthouse**, a reachable point holding the promise of less pain and more gains. The lighthouse guides the organization while it navigates the rough waters of the transition. It also fuels the energy required to overcome the numerous obstacles that will be encountered.

Antoine decided to quit smoking because he had started falling into his abyss. The many things he enjoys in life reinforced his drive to climb back and walk away. They

helped him define the direction he wished to take. They represented his lighthouse.

Each situation calls for a specific rate of change

Each change initiative requires a specific tempo, which could range from a sprint to a marathon pace. In larger organizations, the pace will also have to be tailored to the various groups. Some entities will require a gradual approach. Others will be early adopters. They will welcome a faster rate of change, thus representing opportunities for pilot implementations. Change leaders must consider several factors to determine the right approach.

Building on the previous analogy, the first thing to analyze is the proximity and steepness of the abyss. If, like Antoine, the organization is already slipping into the abyss, there is no choice but to act dramatically. Commitment to change is then easier to build. It is a case of survival, either change or die. The central issue becomes whether it’s too late to reverse the fall.

However, if the abyss is still at a fair distance or not clear to all, it will take more time, patience and effort to convince people of the anticipated danger. In addition, commitment to change shouldn’t be generated too early, otherwise the initiative faces the risk of losing steam halfway towards the lighthouse.

The second thing to consider is the lighthouse itself. How reachable is it? How appealing? What is the likelihood of watching it sink into



the ocean while still navigating the transition? The answer to these questions will be instrumental in deciding an appropriate pace.

Change leaders who fail to define their pace based on these factors are setting themselves up for serious disappointment.

There is also the often-overlooked aspect of **change fatigue**. Can people absorb yet another major change? If the organization has just gone through a series of disruptive changes, burnout levels will be high, forcing the leader to slow down the pace. To allow for recovery time while avoiding inertia, large waves of change should be followed by a period of incremental improvements. Such an approach has been the hallmark of Lou Gerstner's transformation of IBM and American Express' Travel Related Services, as documented by Eric Abrahamson in his article "Change Without Pain", in the Harvard Business Review.

Finally, change leaders must take an honest look at whether **change cynicism** prevails in their organization. How often have initiatives failed to reach the promised lighthouse? What is the credibility of the executives driving the change? How competent are their change agents? To which extent could the effort be perceived as yet another flavor-of-the-month project?

Change leaders who fail to define their pace based on the above factors are setting themselves up for serious disappointment.

Sponsorship is most often the cornerstone of the initiative

Further to the discussion about pacing, it is helpful to think about the various types of organizational change as a continuum (Figure 2). On one end is the evolutionary approach. Here, the change is incremental. It unfolds quietly, often driven over time by gentle reformists who operate in discreet but steady ways. This approach can ultimately result in lasting and broad cultural changes, such as removing the "glass ceiling" affecting visible minorities. At the

other extreme lies disruptive change, which typically corresponds to a crisis situation. Under such circumstances, change occurs at a rapid pace, with a drastic impact on the organization.

Unless clearly anchored on the evolutionary side, the success of a change effort will depend on the effectiveness and commitment of the sponsors. The sponsorship constitutes the cornerstone of the initiative. If it is weak, stretched too thin or diminishing over time, the probability of failure increases dramatically. In our experience, the root cause of many problems is through the sponsors underestimating the importance of their role. When a change effort falters, one of the first things to assess is its sponsorship.

In our experience, the root cause of many problems is through the sponsors underestimating the importance of their role. When a change effort falters, one of the first things to assess is its sponsorship.

What does a good sponsor do? First, the sponsor has to decide what change to undertake, and then sanction it. The sponsor must have the organizational power to do so. However, announcing the initiative in great fanfare is not enough. A sponsor must demonstrate her commitment to the change throughout the entire process, both publicly and privately. Public support is geared towards the whole organization, while private meetings are aimed at specific groups or key individuals.

During the unfreezing phase, legitimizing and supporting the effort requires building the case. The sponsor must communicate the existence and danger of the abyss, paint a reachable lighthouse, and set realistic expectations about the difficulties involved in the transition.

During the transition, the sponsor provides his or her agents with the necessary support and resources (i.e. time, money and people) to successfully implement the change. When possible, this commitment of resources should be made public in order to reinforce the change to the organization. The sponsor must monitor

progress on a regular basis, and look at this activity as a critical investment of her precious time. The sponsor may have to forego and sacrifice other promising opportunities if they threaten the change effort. The sponsor also plays a key role in rewarding those who embrace the change and applying pressure to those who resist. In doing this, the more public the better. This is because actions, rather than rhetoric, convey the sponsor's commitment and the inevitability of the change.

The determination of the sponsor has to continue throughout the refreezing, to ensure the change is internalized by the organization.

Clearly, effective sponsorship takes time. Therefore, given how critical the role is, it is strongly advised that executives sponsor no more than one or two major initiatives at a time.

Change is a game of proximity

It is relatively easy to change the behaviors of a few people working in the same office. However, implementing change throughout larger, multi-location organizations is far more difficult. Indeed, there are countless examples of change efforts driven by corporate executives that fail to take hold in the field. The problem is that change cannot be mandated from a distance. Instead, it has to be locally sponsored, and locally managed. This principle of proximity is driven by three considerations.

First, successful implementation relies on effective, visible and sustainable sponsorship. As previously discussed, the role of an effective sponsor is varied and time consuming. Consequently, it will be challenging for a single sponsor to fulfill her duties when the organization is too large, especially if it spans multiple locations.

Second, people's natural inclination is to resist change because it involves pain. In field offices, the initial reaction to a memo or a visit from

Corporate announcing a major change will often be "Here is another one, don't worry, it won't last!" When local managers echo this cynicism, resistance prevails. In the absence of a local

sponsor to reinforce the commitment in the field, change will fail.

Third, change is not an event but a process. Like any complex process, it needs to be managed

by competent people - the change agents. In large organizations, change agents must be appointed locally. This is because each office will present unique challenges calling for specific actions, trade-offs or communication. In addition, when the project is owned locally, cultural clashes and the 'not invented here' syndrome can be prevented.

If change is a game of proximity, how should a large or multi-location organization play? The answer is to create a **domino-coalition** of sponsors and change agents. The initiating sponsor (e.g. the CEO) must enlist the support of local sponsors (e.g. Regional Vice-Presidents) to reinforce and support the change throughout the organization. In turn, second-level sponsors may have to enlist third-level sponsors (e.g. General Managers), and so on. In addition, local sponsors are in the best position to identify and appoint competent change agents to manage the project locally. Through a domino effect, a strong network of sponsors and agents is developed to motion the change throughout the entire organization.

Our experience at Delta Hotels & Resorts provides a great example of the power that building a domino-coalition can have. In the late 1990s, Delta decided to launch a growth strategy to solidify its dominance of Canada's first-class hospitality market. To enable the plan, Delta had to modernize its information systems. Given the impact of the project, Delta started by integrating the various corporate functions into a program management office. While articulating Delta's technology abyss, the group uncovered a set of strategic opportunities that

There are countless examples of change efforts driven by corporate executives that fail to take hold in the field. The problem is that change cannot be mandated from a distance. Instead, it has to be locally sponsored, and locally managed.

could be created via technology. Their lighthouse was now in sight. In order to capture these opportunities, they designed an ambitious program of operational changes. One step at a time, a coalition actively supporting the effort

People fully internalize a change when it matches their interests and beliefs. Clearly, this is an emotional commitment that transcends the intellectual compliance generated by rewards and punishments.

was developed coast-to-coast. Ultimately, all 35 hotels, the call center and the corporate office embraced the new way of doing business, from British Columbia to Newfoundland. Delta has since leveraged its leading operating platform for competitive advantage.

Danger: taking a nap at the lighthouse™

An interesting dynamic occurs when the organization reaches the lighthouse. The endpoint has been attained and the project looks complete. Having dedicated so much energy to manage the transition, the change agents are exhausted. The sponsors are anxious to launch other initiatives or return to their regular duties. Some of these players are being promoted, in recognition of their dedication and achievements. Within the group impacted by the change, some people will have adopted the new behaviors merely out of fear and compliance. They have yet to be fully converted. They constitute inactive pockets of resistance, ready to fight back whenever possible.

Combined together, these factors create an environment that can derail a change initiative on its last mile. How can an organization increase its chances of refreezing, i.e. turning the change into a standard operating procedure?

People fully internalize a change when it matches their interests and beliefs. Clearly, this is an emotional commitment that transcends the intellectual compliance generated by rewards and punishments.

Reaching the lighthouse with a significant segment of the population emotionally committed to the change is the best antidote against late-stage failure. Their enthusiasm and devotion will act as an effective barrier against any lurking resistance. Fortunately, the previous principles represent an effective structure to achieve good levels of emotional commitment.

However, it is important not to relax upon reaching the endpoint. Sponsors should monitor the developing internalization. They should reinforce the process by making public new success stories that were made possible by the change. Finally, they should continue to take action against those who will attempt to revive the resistance.

Conclusion

Change is both an art and a science. The six principles are the essence of the 'science'. They constitute a framework for successful execution. Change leaders should use the structure to guide their thinking and actions while remaining highly adaptive throughout the implementation. In upcoming articles, we will present a set of pragmatic tools and guidelines to further assist change-driving executives and their agents.

SIX PRINCIPLES FOR SUCCESSFUL CHANGE EXECUTION

- 1- Change is a process
- 2- Major change requires an abyss and a lighthouse
- 3- Each situation calls for a specific rate of change
- 4- Sponsorship is most often the cornerstone of the initiative
- 5- Change is a game of proximity
- 6- Danger: taking a nap at the lighthouse

ABOUT THE AUTHOR



Edmond Mellina is president of ORCHANGO – a provider of innovative and proven learning programs especially developed for organizations in transition. With its flagship Change Master Program, ORCHANGO is known for world-class change management training.

Edmond is internationally recognized as an expert in the field of change and transition management. He is the creator of the ORCHANGO Change Management System™ and the ORCHANGO Learn-and-Execute System™.

Edmond's articles have appeared in leading business publications around the globe; the media regularly interview him as an expert source.

As a speaker, Edmond addresses audiences on change management, leadership development, multicultural teamwork and the art of influence.

Edmond holds a Master of Engineering from the prestigious “Grandes Écoles” of France, and is a graduate of the Ivey Executive Program. He is fluent in both English and French.

E-mail: emellina@orchango.com

Tel: (1) 416-607-6474

Website : www.orchango.com