Helping Employees Cope with Change
"Confidence is Success Remembered"

Organizational change initiatives trigger anxiety across the corporate hierarchy in even the best of times. But in an era where a storied firm like Lehman Brothers can go bankrupt almost overnight and the Dow's fluctuations can make one dizzy, they can elicit fear, even panic.

In such times, calls to change can also provoke especially intense resistance. When uncertainty is such a prominent -- and threatening -- feature on the external landscape, people crave constancy and routine inside their organizations.

Of course, it's when economic conditions are most unstable that companies most often need to change, and change quickly, if they are to survive. Managers, then, face a daunting task. To help their organizations weather a downturn, they need to ensure that employees fully buy into change initiatives and make the necessary alterations in their day-to-day behavior--at precisely the same time their employees are likely to be most anxious about, and resistant to, change.

Large-scale change initiatives, such as mergers or restructurings, aren't alone in eliciting strong responses. In an anxious era, even more modest initiatives, such as the adoption of a new IT system or a sharper focus on product innovation, can push distressing emotions to paralyzing levels.

<u>The five phases of change</u>
Helping employees support change--of whatever scope--starts with understanding the five phases of a change initiative and the emotions each phase typically provokes, says Jeanie Daniel Duck, a former senior partner of the Boston Consulting Group and author of The Change Monster: The Human Forces That Fuel or Foil Corporate Transformation and Change (Three Rivers Press, 2002):

<u>Stagnation</u>. Signs of trouble emerge: falling sales or stock price, customer defections, difficulty attracting talent. Those in the organization who are aware that things can't go on like this begin to push for change. Others go into denial. They declare that everything's on track and bristle at suggestions to the contrary.

<u>Preparation</u>. Leaders decide to make a change and announce the decision. Managers' and employees' emotions range from fear ("Will I still have my job?") to relief ("Thank goodness somebody's doing something!") to excitement ("Let's get going!").

<u>Implementation</u>. Leaders announce new assignments, define new reporting lines, or mandate new processes. In addition to feelings of threat, fear, and uncertainty, people may experience confusion, apathy, resentment, worries about inadequacy, or exhilaration. Some feel a surreal sense of living simultaneously in two worlds, as they grapple with the current state while striving to build the new desired state.

<u>Determination</u>. Some things seem different, but the changes haven't taken firm root yet. Working with new bosses, new rules, and/or new processes, people are confused. They make mistakes that can slow down the change process. Naysayers boast, "I told you it wouldn't work." The change initiative is at its most vulnerable point during this stage.

<u>Fruition</u>. Ideally, all the hard work starts showing tangible results: rising stock price or sales, increased efficiency and lower costs, promising new products, more customers. Emotions include

confidence, optimism, and energy. But leaders take note: individuals' satisfaction with outcomes may become complacency that can stand in the way of future change.

Moving from anxiety and resistance to hope and action. Duck offers these suggestions for assuaging employees' anxiety, getting through their resistance, and sparking their hope and energetic buy-in:

Interpret events for employees. Duck says the most powerful thing you as a manager can do is to "interpret what's going on for people and explain what it means for them in specific, concrete terms."

For example, last year Duck worked with an insurance company seeking to rein in costs in order to remain competitive as the market wobbled. Employees began crumbling under a crush of media reports about the firm's seesawing performance and the forces buffeting the insurance industry as a whole.

As anxiety intensified throughout the ranks, Duck suggested that company leaders ease tensions by explaining to employees what the news reports meant for them. The leaders told the workforce: "We can't predict the future because the market is just too volatile. We do know that we'll need to cut expenses, but we're not going to have a layoff."

In addition to laying out the plan in clear terms, let employees know how you intend to update them as the change initiative unfolds. Will you call a special meeting each week to update them on the change? Send out a weekly email?

"Tell people when and how they'll get information on what's going to change," advises Duck. "People need reassurance that their leaders are actively involved in the change, that they know what they're doing, and that expectations will be made clear."

And whenever you can, explain the rationale behind decisions that will affect your team. In fact, whenever you see a chance to lessen uncertainty and increase understanding, take it. Uncertainty feeds anxiety; knowledge calms it.

Acknowledge the emotional maelstrom. Throughout the change process, accept that people can experience wildly conflicting emotions at every stage. Even within one individual, sadness over abandoning long-held ways of doing business may compete with excitement about a new and possibly better direction for the firm.

Let people know that such a maelstrom of emotions is normal, and that people who experience this phenomenon are not less talented or less valued because of it, advises Duck.

Stay connected. "Even today," says Duck, "some senior managers make only rare appearances in their organizations." That's a recipe for disaster when a company is making a change during tough times.

"This is no time for managers to be remote," says Duck. "No matter how busy you are, carve out time to eat lunch in the cafeteria, answer people's questions, and gather information on how people are handling the change." This will help you find out where resistance is brewing before it boils over.

Make connectedness and communication imperatives for the managers who report to you. One senior manager Duck worked with based 50% of each manager's bonus on communication effectiveness. Performance on this criterion was assessed through metrics such as how promptly and frequently managers updated employees on the change program and how well employees understood expectations.

If there's any silver lining in the dark cloud now hanging over the economy, notes Duck, it's that we're facing an equal-opportunity situation. No industry or organization is disproportionately affected. And all companies have the same opportunity to reinvent themselves in the face of immense challenge.

By shepherding your team through the emotional ups and downs of needed change initiatives, you help them build a track record of success that can sustain them during future change. As Duck points out, "Confidence is success remembered."

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