



# Working Resources

*Helping Companies Assess, Select, Coach and Retain Emotionally Intelligent People*

## Newsletter

### Managing Dynamic Change

*"Faced with the choice between changing one's mind and proving that there is no need to do so, almost everybody gets busy on the proof."* —John Kenneth Galbraith

Today's fast-paced economy demands that businesses change or die. Few companies manage corporate transformations as well as they would like. It is said that anywhere from 50 to 80 percent of all change initiatives fail.

Between 1980 and 1995, researchers at the Harvard Business School tracked the impact of change efforts among the Fortune 100. Only 30 percent of those initiatives produced an improvement in bottom-line results that exceeded the company's cost of capital and only 50 percent led to an improvement in market share price. Each of the companies invested \$1 billion in change programs over the 15-year period.

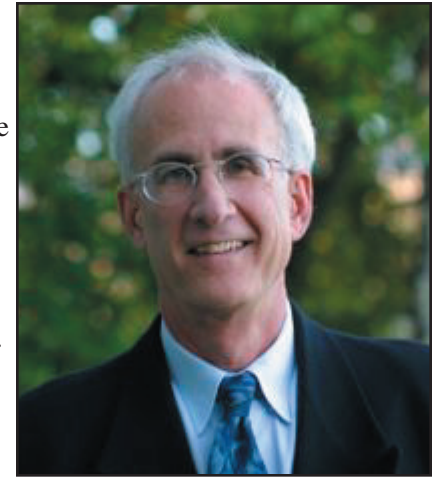
For years, companies have struggled with growing competition by introducing improvements into every function and process. But the competitive pressures keep increasing, the pace of change keeps accelerating and companies must continually search for higher levels of quality, service and overall business agility. The treadmill moves faster, companies work harder, but results improve slowly or not at all.

One problem is that too few people at every level really support the change initiative with their hearts and minds. To foster pro-active effort and imaginative thinking, not only do you have to engage more employees, you've got to engage them more fully.

Change is intensely personal. For change to occur in any organization, each individual must think, feel or do something different. Even in large organizations, which depend on thousands of employees understanding company strategies well enough to translate them into appropriate actions, leaders must win their followers one by one.

Part of the problem stems from applying models that were first used in the scientific management of Frederick Winslow Taylor. These principles were first applied to managing physical work in manufacturing plants. When superimposed on today's knowledge organization, change initiatives are broken into pieces and then they are managed. But today the pieces are constantly in motion. The challenge is to innovate mental work— not to replicate physical work.

**D**r. Maynard Brusman is a consulting psychologist and trusted advisor to the senior leadership team. He is the president of Working Resources, a human resources consulting, training, and executive coaching firm.



We specialize in helping companies assess, hire, coach and keep top talent; executive selection; leadership consulting; 360-degree feedback; change management; interpersonal communication skills; emotional intelligence; performance improvement; culture surveys; career development and executive coaching.

Dr. Brusman is a highly sought-after speaker and workshop leader. He leads mission, values, and vision retreats.

*"Maynard Brusman is one of the foremost coaches in the United States. He utilizes a wide variety of assessments in his work with senior executives and upper level managers, and is adept at helping his clients both develop higher levels of emotional intelligence and achieve breakthrough business results. As a senior leader in the executive coaching field, Dr. Brusman brings an exceptional level of wisdom, energy, and creativity to his work."* —Jeffrey E. Auerbach, Ph.D., President, College of Executive Coaching

He has been chosen as an expert to appear on radio and TV, MSNBC, CBS Market Watch, and in the Wall Street Journal, San Francisco Chronicle, and Fast Company magazine.

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## Anticipating Change

How do you teach thousands of people to think strategically, recognize patterns, and to anticipate problems and opportunities before they occur? There is a new level of complexity and “chaos” that can be managed only when information flows across boundaries. When we recognize that critical information can be held anywhere in and out of the organization, we create opportunities for those with information to influence decision-making.

An organization may simultaneously be working on TQM, process re-engineering, employee empowerment, and several other programs designed to improve performance. How do you connect and balance all the pieces? In managing change, the challenge is to understand how the pieces balance off one another, how changing one element changes the rest, and how sequencing and pace affect the whole structure.

Managing change means creating conversations between the people leading the change effort and those who are expected to implement the new strategies. It means managing the organizational context in which change can occur, as well as managing the emotional and intellectual connections that are essential for transformation.

*“All real change involves major uncertainty, and we cannot deny the questioning time to others simply because we have already answered the questions for ourselves.”* — Bernice McCarthy.

## Feelings and Perspectives

Change is fundamentally about feelings and perspectives. And companies that want their workers to contribute with their heads and hearts have to accept that emotions are essential to the new management style. The old management paradigm said that people are allowed to have feelings, as long as they are positive ones. The new management paradigm says that managing people is managing feelings. It’s not whether or not people have “negative” emotions; it’s how they deal with them. The most successful change programs reveal that large organizations connect with their people most directly through values— and that values, ultimately, are about beliefs and feelings.

When an organization denies the validity of emotions in the workplace or seeks to permit only certain kinds of emotions, two things happen. The first is that managers cut themselves off from their own emotional lives. And in doing so, they cut off the ideas, solutions, and new perspectives that other people can contribute.

## Facing Negativity

How then do you deal with negative emotions which are so common during change? It’s true that getting a group of people together and allowing them to vent their emotions can initiate a negative spiral. A manager who is results-oriented may not be comfortable or prepared to deal with what his people have to say when it is negative.

The following is an approach that worked: A project director in a large organization scheduled meetings twice a week for his team undergoing a complex change effort. For the first 15 minutes, staff members were allowed to complain and vent. But only for 15 minutes. People were allowed to say anything they felt. The second 15 minute period was devoted to bragging about gains and successes. Ending the meeting on how people overcame obstacles became an energizing process.

During the year of the change project, these meetings built up a remarkable degree of camaraderie among team members. Although harder for some to participate in than others, everyone came to realize that the conversion project was hard for everyone. They began to give each other ideas about ways to handle tough situations. As they began to tell each other about their little victories, they felt like a winning team. When the project was over, they felt better about themselves and their organization than they had at the beginning.

Many consultants specialize in helping organizations navigate mergers, acquisitions, re-engineering and major change initiatives. Such change agents are familiar with poor outcomes of such projects. What makes for a successful change process? What can be learned from the multitude of change failures?

*“It isn’t the changes that do you in, it’s the transitions. Change is not the same as transition. Change is situational: the new site, the new boss, the new team roles, the new policy. Transition is the psychological process people go through to come to terms with the new situation. Change is external, transition is internal.”*

—William Bridges, *Managing Transitions*, 1991

One company discovered that they could realize a savings of \$40,000 annually by inserting paper into the fax machine sideways, thereby cutting transmission time by 15 percent. However, the director reported that, “It will be hard to implement because it means changing behavior.” It is inherently difficult to get people to change just one small behavior.

## Dealing with Loss

The failure to identify and be ready for the endings and losses that change produces is the largest single problem that organizations in transition encounter. No one foresees how many people will experience the “improvement” program as a loss of something related to their job.

The first step is recognizing that all change involves letting go of something. Even good changes such as promotions and expansions involve losses and endings. Before you can begin something new, you have to end what used to be. In order to learn a new way of doing things, you have to unlearn the old way. All beginnings depend on endings. Change and endings go together; you can’t have one without the other. The problem is— nobody likes endings.

It isn’t necessarily the change that people resist. It’s the losses and endings that they experience. It does little good to talk about how healthy the outcome of the change will be. First you have to deal directly with the losses and endings. But how?

1. Identify who is losing what and why.
2. Accept the reality and importance of the subjective losses. (Don’t be surprised at “overreaction”.)
3. Expect and accept the signs of “grieving”. Acknowledge the losses openly and sympathetically.
4. Give people information again and again; define what’s over and what isn’t.
5. Mark the endings; treat the past with respect.
6. Provide plenty of forums for discussion about both positive and negative changes.
7. Provide coaching services, preferably from outside sources.

## Providing Coaching for Change

An effective way of dealing with these issues is by offering the services of coaches to deal with change management. Individual time and attention with a professional coach is an excellent way for people to deal with their experiences. The opportunity to discuss the un-discussables with an outside person can create smooth transitions.

The second step through transitions involves the acceptance of a neutral zone, a sort of no-man’s land between the old reality and the new. It is the time between the old identity and the new. It is a most uncomfortable time because of the insecurity of not knowing. If you don’t expect this period and deal with it, you may mistakenly conclude that the confusion you feel is a sign that there’s something wrong with the program.

If you try to rush through this period, you risk compromising the change program— but also you will lose a great opportunity. As painful and uncomfortable as people feel in this neutral zone, it is the individual’s and the organization’s best chance for creativity, renewal, and development.

The neutral zone is both a dangerous and an opportune place. It is the very core of the transition process. It is the time that people want most to leave and to abort the process. It is the place and time when the old habits that are no longer adaptive to the situation are extinguished and new, better patterns of habit begin to take shape. It is the chaos in which the old form of things dissolves and from which the new form emerges.

People make the new beginning only if they have first made an ending and spent some time in the neutral zone. Yet most organizations try to start with the beginning rather than finishing with the old first.

## First You Lose, and Then You Win...

When major changes are announced, management emphasizes all the benefits that will follow with the successful new strategies. Fanfare and power point presentations can be theatrical and entertaining. Little attention is given to the reality of loss that the changes are bringing. Change means loss. First you lose, then you accept it— only then can you decide to change. The loss has to be processed before people will change their behaviors in the desired direction. Here are some common reactions that come up:

**Anger:** This may be evident as grumbling, as foot-dragging, mistakes, and even sabotage. Listen to what is being said. Don't take on the blame, however, when anger is being misdirected at you. Distinguish between acceptable feelings and unacceptable acting-out behaviors.

**Bargaining:** There may be unrealistic attempts to get out of the situation by trying to strike a deal. Distinguish these efforts from real problem solving. Don't be swayed by desperate arguments and impossible promises.

**Anxiety:** The fear of an unknown future may lead some to create catastrophic fantasies. Such feelings may be silent or expressed. Again, acknowledge and accept these emotions as natural. Don't make people feel stupid for experiencing anxiety. Communicate new information as it becomes available. Commiserate when it is not.

**Sadness:** This is the heart of the grieving process. It may be experienced as everything from silence to tears. It is often behind feelings of anger. Encourage people to say what they are feeling and share your feelings too. Trying to reassure people with unrealistic suggestions of hope may fall flat. Be genuine.

**Disorientation:** Even organized people may experience forgetfulness, confusion and clumsiness during this period. These feelings are so uncomfortable that people will do strange things to avoid them. Give people extra support and attention.

**Depression:** Some people may experience feelings of hopelessness and exhaustion. Depression is hard to be around. You can't ignore it; people still have to get their work done. You can help by restoring people's sense of control over their situations.



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