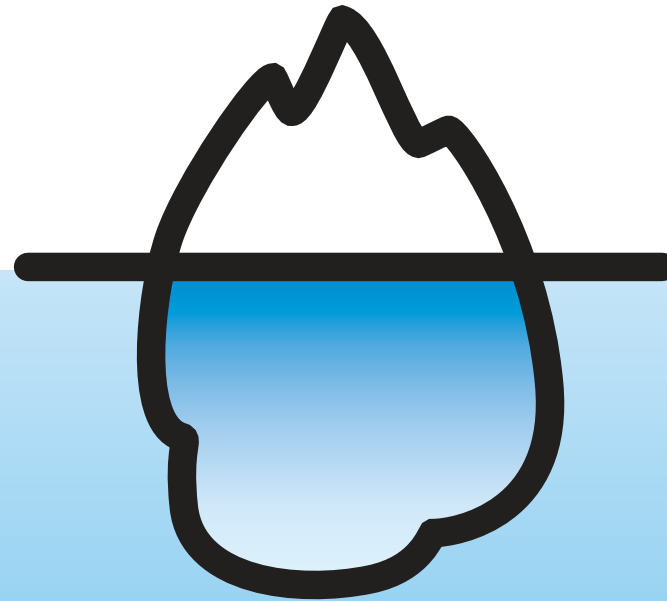




THE DYNAMICS OF CHANGE

Reflections on the human side of leading people through organisational change.

KALJU PLANK & TOR ENEROTH

Graphic design **Nona Bunea**
Illustrations **Gerdur Ragnarsdottir**
Cover **Jan Eneroth**
Reproduction and print **Billes Tryckeri AB**

March 2019
Copyright© **Tor Eneroth** and **Kalju Plank**

THE DYNAMICS OF CHANGE

CONTENT

PREFACE.....	6	Participation.....	29
1 CHANGE VS TRANSFORMATION.....	7	Dialogue and feedback.....	29
Types of changes.....	9	Learning takes time.....	30
Difference between change and transformation.....	9	No development, no life.....	30
Different reactions.....	10	Issues for reflection.....	30
Both content and process.....	11	4 PLANNING.....	31
Transformation takes time.....	12	Paralysis and exclusion.....	33
Issues for reflection.....	14	Visions move us forward ...	33
2 LEADERSHIP CHALLENGES.....	15	...as does employee participation...	33
<i>Challenge 1:</i>		...and insight into human reactions.....	34
Being a manager and a leader.....	17	Plan support activities.....	34
<i>Challenge 2:</i>		Use your support functions.....	34
Handling the visible and invisible.....	18	Stakeholder analysis.....	35
<i>Challenge 3:</i>		Forcefield analysis.....	36
Handling short and long-term management.....	19	Balanced short-term plan.....	36
<i>Challenge 4:</i>		Issues for reflection.....	36
Leading through control and self-initiative.....	20	5 COMMUNICATION.....	37
<i>Challenge 5:</i>		Primary – not primary.....	40
Handling time “faster” and “things take time”.....	21	Avoiding rumours.....	40
<i>Challenge 6:</i>		Establishing a good climate for communication.....	41
Building trust and minimising mistrust.....	21	A few essential approaches.....	41
<i>Challenge 7:</i>		Active listening.....	42
Handling conflicting expectations.....	22	Ask diagnostic questions.....	43
Survival strategies.....	23	Resistance.....	43
Issues for reflection.....	24	Live as you speak.....	43
3 LEARNING.....	25	Managerial behaviour to avoid.....	43
Time for contemplation.....	27	The tough conversation.....	44
Discussion and dialogue.....	28		

Issues for reflection	46
6 HUMAN REACTIONS	47
The different phases of the loss curve	50
Leading through the loss curve	50
The shock phase – denial	51
Reaction phase – resistance	52
The repair phase – exploration	54
New orientation phase – Commitment	55
Reactions on group and organisation levels	56
Issues for reflection	58
7 STRESS	59
Stress has physical effects... ..	61
...and has internal and external origins	61
Stress is tiring and disruptive	61
Supporting and leading	62
Dangerous stress	62
Managers need to be more aware	62
Issues for reflection	64
8 FIRM LEADERSHIP	65
Creating understanding	67
Consultative leadership	68
Emotional intelligence	69
Value-based leadership	69
Create balance and energy	70
A highly efficient management team	70
Issues for reflection	72
9 BUILDING A FOUNDATION FOR CHANGE	73
Shared vision, mission and value platform	75
Reduce fear and foster trust	76
And finally... ..	78
Issues for reflection	80
10 EXERCISES	81
Your “Psychological Contract”	
– Is it strong or weak?	84
The Change Curve	
– Our present picture	86
Diagnostic Questions	
– How do your employees feel?	88
Your Support System	
– A self assessment	89
Force Field Analysis	
– Resisting or driving forces?	92
Stakeholder Analysis	
– Create shared expectations	94
Balanced Action Plan	
– Both content and process	95
Team Reflection	
– Conditions for learning	97
Learning levels	
– Where are we?	99
Future dialogue	
– Desired and Probable	101
LITERATURE AND REFERENCES	103

CONTENT

PREFACE

Use this space for own notes and ideas throughout the book.

This book is based on many years of working practically with various types of change processes in a range of industries and organisations. It is primarily intended for managers and their teams who are responsible for leading and implementing organisational changes and who want to balance and improve their ability to lead from a more human point of view.

We hope to inspire you as a leader to work with your employees and thereby create greater awareness of and acceptance for the changes you are facing. This can be accomplished by giving copies of this compendium to your team to be read and then selecting and completing some of the exercises at the back of this document. Most of these exercises could also be done successfully on a virtual level.

This book is based on a psychological approach in order to provide a better understanding of what motivates and gives energy to the change process. We use as our basis those concepts and theories that we have found valuable in our consultancy activities. These are then merged to create a practical foundation for our work. We ask questions and suggest exercises to help managers and their teams which we have found valuable when implementing changes.

Our experience tells us that it is vital to establish a common language to clarify underlying forces and processes during periods of change – to make the invisible visible and to realise the key difference between change and transformation. We hope this book will give you this language.

We recommend a reflective reading approach, i.e. read small sections or one chapter at a time, reflect on what you have read, compare with your own experiences and, ideally, discuss this with your colleagues and employees.

Finally, this book is not only about change, it is about life!

Good luck!

Tor Eneroth & Kalju Plank

TOR ENEROTH, Network Director at Barrett Values Centre since 2011. Culture Manager at Volvo IT between 2000 to 2011. Between 1984 and 2000 he was manager and internal consultant for such areas as quality, change management, management development and culture at Mölnlycke AB and SCA AB.

KALJU PLANK, registered psychologist, senior consultant at his own company KompetensUtveckling Plank Konsultation AB since 1982. Formerly chief psychologist and consultant for Swedish Employers Federation's Training Facilities Ali-Rati, and thereafter Svenska Managementgruppen.

Please contact us at:
tor@valuescentre.com and kalju@plank.se.

1

CHANGE VS. TRANSFORMATION

TYPES OF CHANGES

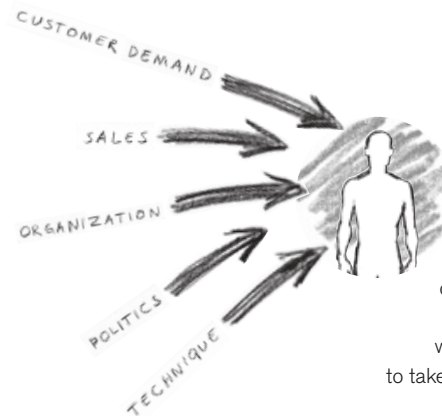
Change is constant. Change is both progressive and educational and can be both good and bad, depending on who observes the change. Change can mean political changes, new and improved technology, advanced customer requirements or new competitors on an increasingly complex and global market. It may be a change that we long for and therefore welcome or something undesired and therefore perceived as a threat and met with resistance. Some changes are small, everyday and constantly in progress, which sometimes means we do not even notice the change over time. Other changes are massive and drastic and although viewed as progressive and innovative, may also be perceived as complex and unpredictable. A change can also be something we ourselves proactively promote and create something new or we may be more reactive and responsive to something. Below are a few types of changes. Which do you face?

- Customer requirement changes (require new products/service)
- Technical changes (new solutions create new opportunities)
- Market changes (other competitors in new countries)
- Political changes (new leaders or owners)
- Strategic (new visions, goals, plans)
- Structural (new organisation, methods, tools)
- Cultural (behaviour, attitudes, approaches)
- Desired and welcome (by you? by the organisation?)

- Undesired and threatening (to you? to the organisation?)
- Proactive (own ideas, ambitions)
- Reactive (demands from others, game rules)
- Small, ongoing and gradual
- Massive, widespread and dramatic

DIFFERENCE BETWEEN CHANGE AND TRANSFORMATION

Our ability to survive against competition is determined by our ability to adjust. To more easily appreciate and address the change from a human perspective, we want to clearly differentiate between the terms "change" and "transformation". Change is what happens outside of ourselves as individuals and what requires us to adapt in order to survive. This refers to the examples listed above. What happens within us as individuals is called transformation. Human reactions that occur as a result of external changes are called transformation – feelings, resistance, attitudes, etc.



Picture 1
Change is the journey outside of us – Transformation is the inner journey we go through in order to take on the outer change.
Source: T Eneroth

We welcome or resist change depending on the types of change.

*Change comes from the outside
– Transformation take place inside of us.*

Our reactions is linked to our identity and /or earlier experiences.

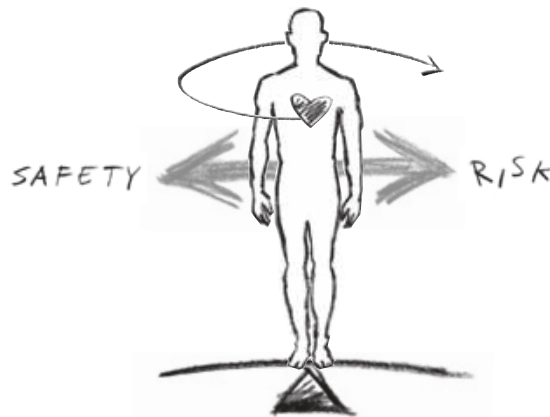
We must be able to see ourself in the future picture before we welcome the change.

We transform through dialogue.

DIFFERENT REACTIONS

A key question that surfaces in the face of every change is how we react and respond to the change and how we can develop within ourselves and adapt to behaving differently. Some may see opportunities and the positive side immediately, others need time to find themselves in the new and are more hesitant, while some perhaps can only see the negative and oppose the change. How we react is often linked to our identity and previous experience of changes.

The scope of the change and subsequent willingness or resistance to change is defined by the individual employee's perception. Regardless of whether or not you as a leader feel that change will require drastic personal transformation, it may still be perceived as a major transformation for someone else.



Picture 2

Dealing with change is like standing on a seesaw, it is a question of balance or unbalance.

Source: K Plank

For us as individuals to accept changes and open ourselves to our own transformation, we must first be able to picture ourselves in a future scenario (vision) and be able to envision "What's in it for me?" i.e. the first point of the change.

It is also evident that in change situations each individual follows certain patterns in their individual transformation process. When the external change is close to our own previous experiences we progress more quickly through the change curve. However, more time will be required if the change feels diffuse, is distant in time or if we recall previous painful or frightening experiences. In many cases, the individual may find it difficult to understand or be aware of why they feel resistance.

Regardless of the scope of the change, transformation is a gradual process. The first step is to become aware of the change or the new situation. Only then can we begin understanding and accept the change. This is best done through active participation in dialogue about the change. We only have a cognitive effect so far – we have accepted the change in our minds but there is little evidence of this in our attitude or behaviour. To reach this phase, we need to alter our convictions and values, meaning that we need space to reflect and question our current opinions and thoughts. It must be permissible to question and reflect in order to move forward in our individual transformation process. It is only now that we begin to test the new and unknown. We expect support and encouragement now before we finally reach our own inner conviction for a new way of thinking and can act naturally in this new, altered approach to work. This is

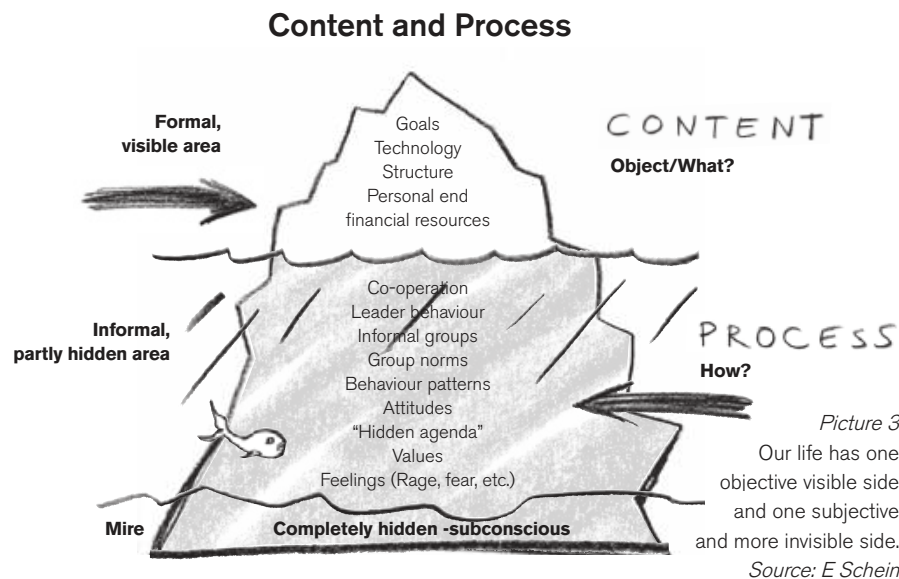
obviously a very simplified description of the chain of events, but the phases are often the same. The transformation curve shows how we gradually evolve and by communicating with our employees more easily come to understand and accept where we are in our relation to the change. When a change is perceived more as a threat, it is more common to use the loss curve that we describe in greater detail in Chapter 6 "Human Relations".

BOTH CONTENT AND PROCESS

When we ask managers to define their initial concerns in terms of working with organisational changes, we often hear "we need a clear vision with distinctly identified sub-goals, a new organisational structure, new organisation scheme, the management system needs to be reworked, budgets and financial targets need to be defined, we need new job descriptions, etc." All of which are naturally correct and necessary, but they are only part of the issues that need to be addressed.

In working with organisational changes, the objectives above are objective content issues. These are precisely the issues that need to be addressed in order to manage the external changes, but to deal with the change from a human perspective and real-

ise individual transformation we also need to address what we call the process issues. In our experience, it is essential to get people to work in new teams, help people understand and accept new ways, and adopt a leadership that can challenge and generate job satisfaction. We call these issues "process issues" and they land in a human being's subjective world. The figure illustrates content and process.



The iceberg metaphor can be used in many contexts. It can be used to depict the conscious and subconscious world of humans, and it can also depict a content and process world. The forces of change are under the surface, so this book's main focus is what happens in the subjective world of humans. In the objective world, the content world, the business is led with management techniques

Work with both objective and subjective side related to change.

You also need to lead the emotions, attitudes and values of people.

*Changes may take place quickly,
but transformation takes time!*

*Change must be perceived as tangible,
meaningful and manageable.*

that have a rational, logical perspective. In a human being's subjective world, which is dominated by emotions, attitudes and values, we need leadership capable of dealing with people. We know it is vital that we develop our language as well as our ability to feel secure in handling the more subjective and emotional issues in connection with change.

Organisational changes can produce both positive and negative energy. The new individual needs that can emerge and the organisation's needs may be in harmony or discord. Unreleased energy lies gathered in the lower layer of the iceberg. It is up to the leader to convert this into a meaningful and manageable challenge.

TRANSFORMATION TAKES TIME

Every change within a company is unique and sometimes involves complex events. It is more about unpredictable processes over time than distinct phases of change. The reason so many changes in organisations fail is an inability to create the right acceptance for the changes. The enormous impact of the change process on people has been underrated. The insecurity that arises in individuals and groups has been ignored and the change has not been made tangible, meaningful or manageable.

Dramatic changes can cause collective anxiety stemming from feelings of loss of control, exclusion and not being part of the renewal efforts. Defence against this anxiety can be expressed by simplifying the world and pretending there is no level of complexity. All this is unfortunate since this defence mechanism prevents learning and understanding.

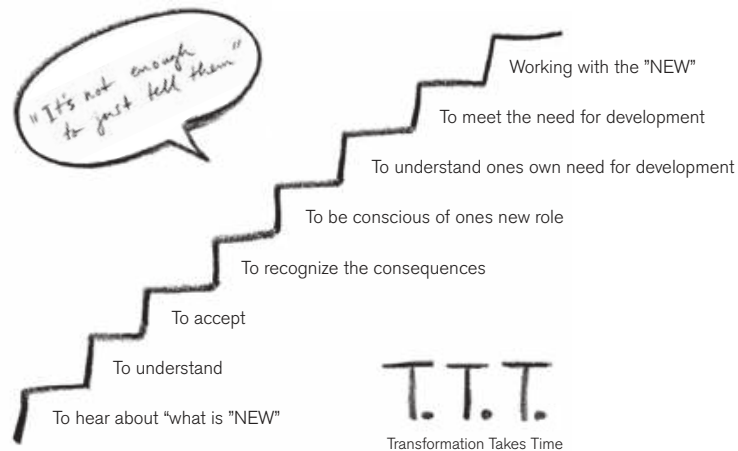
Management's task is to direct the organisation's activities over time by giving meaning to the new visions and strategies, business concepts and targets by inviting the employees to envision themselves in the new.

Change always takes longer than we initially believe and is made more difficult by the fact that attitudes and values are hard to change. The cultural pattern does not change as quickly as we perhaps would like to believe. It must be permissible for change to take time. This is in direct conflict with corporate management's demands for quick and radical measures. The complexity and rate of change in today's world means that many operative decisions must be taken by employees who are not managers.

Many of the failed organisational transitions we have been able to monitor over the last decades have failed because people at the company have not accepted and supported the terms. Nor were they allowed to participate in the changes.

Changes are no longer occasional occurrences as before. Organisations and their employees need to learn everything more quickly but also learn from past behaviour, attitudes and perspectives.

Changes have today become the normal state of things that we must live with. This makes demands on our ability to lead in the face of change. Leading both people and the organisation through the turbulence that arises is one of the most important tasks facing managers and leaders on all levels. This is a skill that is necessary in order for us to survive and prosper.



Picture 4
Transformation takes more time
than we usually anticipate.
Source: K Plank and T Eneroth

Working with people and organisations in transition means focused dialogues in workshops, seminars and training programmes that concentrate on personal direction, group context (value direction and assignment direction) and structural direction – changes to rules and directives, systems, processes and control systems that reflect the desired values and positions. We need a more personal approach between leaders and leadership for conveying visions and a holistic outlook, motivating and improving dialogues. The human aspects of leadership therefore become an important means of control.

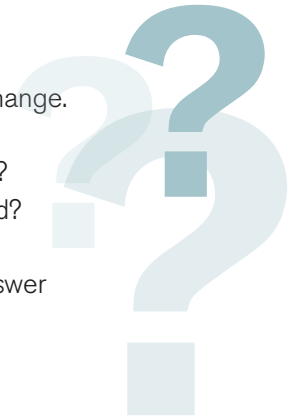
To create trust, the communicated word and message must be aligned with the manager's actions. The manager's self-awareness, self-esteem and

insight into both personal strengths and weaknesses in terms of personal leadership behaviour become increasingly important factors for success. Current research shows that managers' self-image affects efficiency. Managers that underrate their ability in terms of leadership have more efficient units than managers who overrate their leadership abilities.

*Transformation takes place
through dialogue.*

ISSUES FOR REFLECTION

1. What type of change are you facing? Describe the nature of the change.
2. What do you want to achieve by the change? Do you have a vision? Is it a clear, mutual and understood vision? How will it be presented?
3. What will you do so that the individuals concerned can find the answer to the question "what's in it for me?"
4. Who will be affected? How?
5. What types of reactions and forces (positive and negative) may surface?



2

LEADERSHIP CHALLENGES

Leading people in change is a multi-dimensional process that involves opportunities, conflicts and challenges. It is usually not a question of either or, it is a question of both.

CHALLENGE 1: BEING A MANAGER AND A LEADER

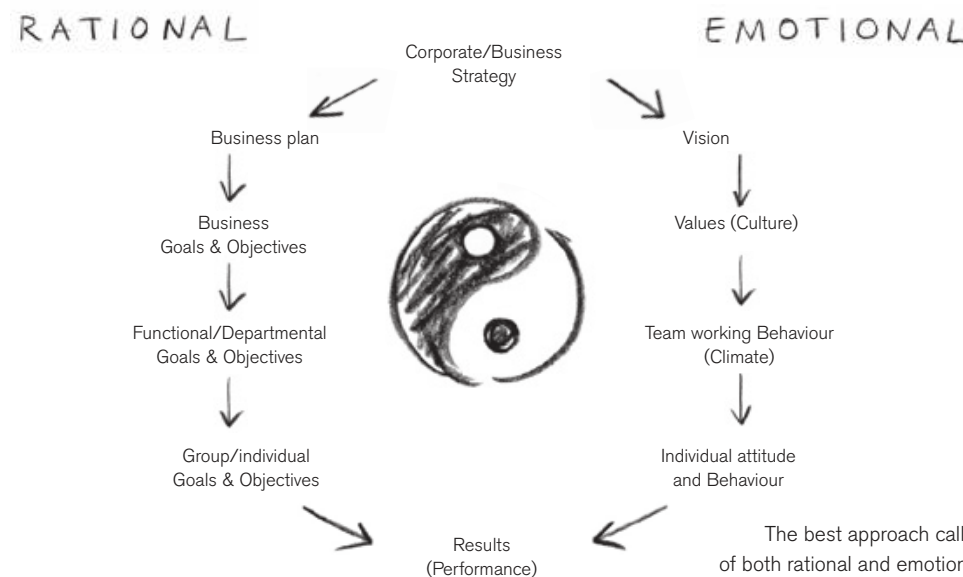
Management (business leadership) is based on governance and control in relation to budgets and planning with the objective of creating predictability and order. The basic objective is to maximise shareholder value and customer value. Key words are productivity, effectiveness and profitability. Motivation stems from financial incentives. Communication is strictly hierarchal from the top down.

Leadership is about visionary efforts, creating and defining directions for a future. This means co-ordinating employees to achieve a common goal. Motivate and inspire by trying to initiate commitment, acceptance and understanding. The main duties of leadership in the change process are to define the goals and objectives and to give purpose by answering the question why. Leadership also involves creating and providing the requisites by acting as role model and motor and adding trust, belief and energy. Leadership is about seeing, understanding and being available to the people being led.

Management and leadership require different skills and abilities. Business leadership is based on rational

Management and leadership require different skills.

Organisational Performance



Picture 5

The best approach calls for a balance of both rational and emotional approaches.

Source: J Kotter

*Management calls for brain.
Leadership calls for heart.*

*Work in all dimensions in order
to be successful.*

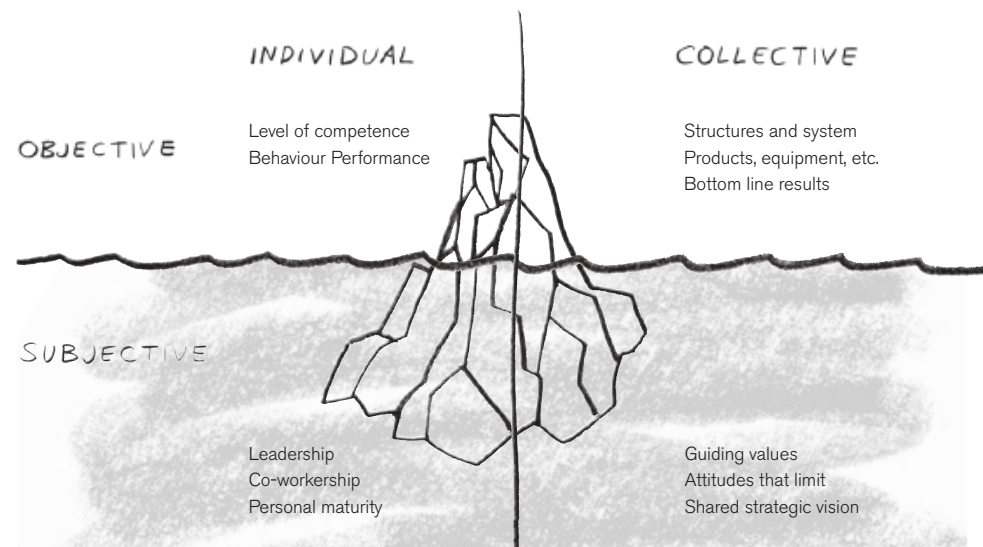
behaviour and considerations; what we call the properties of the brain. Leadership is driven by an emotional dimension and falls under the properties of the heart. Working with change is about creating a rational-emotional balance.

We cannot succeed with change initiatives by using just one dimension. We must be able to use both. All one-sided efforts will lead us off track.

CHALLENGE 2: HANDLING THE VISIBLE AND INVISIBLE

Leading people in transition also requires the ability to work with the complexity of the following factors:

collective interests vs. individual interests, objective factors vs. subjective factors, meaning the visible vs. the invisible (see figure below). This complexity houses enormous potential to undo obstructive attitudes and values in connection with change and renewal initiatives. In the four-field matrix we must be able to work with all dimensions at the same time for change initiatives to be successful.



Picture 6

The key is to realise that this is a whole system approach that calls for actions in all four dimensions at the same time.

Source: K Wilber

The individual/objective field in the above figure refers to behaviour, performance levels and efficiency in terms of the individual's efforts. The objective/collective square refers to dimensions such as visions, goals, organisation, structure, systems, functions, people, buildings, equipment, products and money. We can call these objective factors, individually and collectively, "content dimensions", which refers to the tip of the iceberg, which is above the surface in the figure. When it comes to the subjective, individual dimensions, we mean the managers' and employees' personal level of maturity as well as individual attitudes, convictions and emotions. In the subjective/collective field we refer to cultural factors such as controlling values, obstructive attitudes and the level of strategic consensus. We call these subjective factors, individually and collectively, "the process level" and mean the iceberg under the surface in the iceberg metaphor. It can be difficult to differentiate between content and the process level at the same time. Managers today have a pref-

erence for and skills in working with content issues. We need to develop a language and teaching methods to work with process issues – that which lies underneath the surface. Real learning and growth means that we have to be able to work on all four levels and include people physically, mentally and spiritually.

A new outlook on people emerges in which it becomes increasingly important to handle the processes (under the surface) rather than the products (above the surface).

CHALLENGE 3: HANDLING SHORT-TERM AND LONG-TERM MANAGEMENT

Being a manager and a leader often means being able to deal with two different types of leadership, both dealing with operative operations (short-term) as well as being able to develop and change the overall function (long-term). This creates a need for two different approaches, see figure below.

Two types of leadership	Day-to-day operations Everyday development Rationalisation Administration	Expand, coordinate holistic function Change Development
Time dimension	Limited goals	Long-term Undefined
Attitude	Decisive	Analysis Reflection Inquisitive
Leadership style	Concise According to plan	Difficult Open
Problem solving	Closed Goals Well defined Create full use of resources	Open Goals evolve Process oriented
Focus	Stimulate greater effectiveness	Promote conditions for learning/ development/change

Picture 7

Leader must be able to handle both short and long term perspectives.
Source: K Plank

Develop a shared language.

Short-term leadership is about execution. Long-term leadership is about reflection and connecting.

Shared ownership of the present situation and vision is vital.

Organise dialogue sessions to enable influence and participation.

The ability to handle the operative side of daily operations: everyday development, rationalisation, and administration. This involves a time dimension, including defined goals, outlook, drive, and speed. The leadership style here is to proceed according to plan, often short-term. Problem solving is characterised by distinct, well-defined goals that are closed by nature and aimed at improving how resources are used. Stimulating greater effectiveness is what distinguishes the focus of this approach. The other type of leadership is to develop and co-ordinate the overall function in connection with change, development and renewal. The time dimension here is more long-term and indefinite and requires more analysis work. The need for time to reflect and talk, dealing with questions and anxiety linked to change. The leadership style here is more open and consultative. Problem-solving is conducted more openly, where goals emerge between the leader and the employees. The focus is more on the direction of the process in order to create new conditions that are conducive to learning, development and change. In other words, the main focus is on the subjective, individual and collective process issues – the concealed iceberg under the surface. Here again the paradox is being able to deal with two different types of leadership. The important thing is to be able to answer What? How? and Why? and direct attention to the vision and future target images.

CHALLENGE 4: LEADING THROUGH CONTROL AND SELF-INITIATIVE

Mobilise your employees' participation in times of change. Corporate management's and the management group's initiative and commitment are impor-

tant in carrying out the change process. But it is not enough. To achieve the results we want we must mobilise all the forces in the organisation and exploit the total effect that arises when as many employees as possible are part of the change process and take the initiative and responsibility for achieving the desired results. Insight into the change gained through shared and owned present-situation mapping and defined future positions are necessary to get the process started. Commitment is the impetus that keeps the process in motion. An inspirational vision is therefore an essential tool for enlisting employees. When those involved share a vision and agree on both the overall as well as short-term and concrete goals, the employees do not need much steering but take more personal initiative.

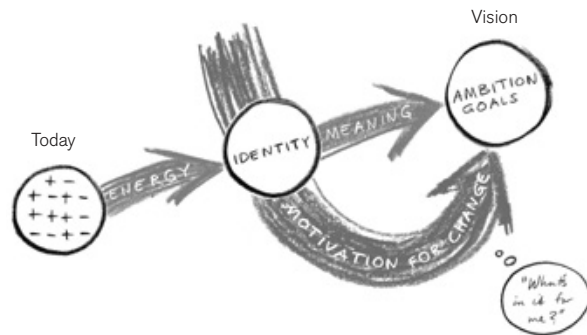
One common recurring mistake that leaders often make in the change processes is that they believe the rest of the organisation's members are on the same level of comprehension and acceptance as themselves. This contributes to our easily losing focus, providing less information and an inability to guide the change processes to the finish.

It is easier to create understanding and acceptance by arranging dialogues where people have the chance to participate and influence. We have emphasised the importance of vision. The question of why some things need to be realised in the future must be answerable since this gives a sense of purpose.

Among the most important leadership qualities are flexibility and the ability to adjust your leadership to

the situations that arise. There is one question that everyone wants an answer to in order to be part of the change process, namely: What's in it for me?

Change of Individual level



Picture 8

There is one question everybody wants an answer to in order to participate in the process of change, namely: "What's in it for me?"
Source: K Plank

The key to success lies in whether you have your employees' confidence. As a leader it is your duty to convey your vision so that it speaks to your employees' inner motivation and values. It is then you can instil the confidence in the future that is needed to embark on the change process.

CHALLENGE 5: HANDLING TIME "FASTER" AND "THINGS TAKE TIME"

Running change processes is something more managers and employees need to be more capable of. Changes may involve reorganisations, something that is becoming more common, but also different duties and the ability to handle new work processes.

In a time when demands for greater efficiency and productivity speed things up, there is an exaggerated belief that reorganisation will solve the problem and produce the desired changes at a quicker rate. We can see our clock time – chrono – as the "outer time", the time in the world that is a system we all follow. At the same time, we also live in an existential time, an inner time – kairos – time in the soul. When we try to change and influence people we cannot disregard kairos time. At the same time the organisation demands rapid, flexible adjustment.

We want to emphasise a few key words for change initiatives: Things take time. Those of you running the change processes must be distinct and patient. It is easy to find yourself in a vicious circle where a sense of powerlessness, fear of dismissal or being reassigned new tasks generates mistrust and fear of change. The manager's task is to instil hope, create participation, support and trust. To do so takes courage, tolerance and self-motivation.

CHALLENGE 6: BUILDING TRUST AND MINIMISING MISTRUST

Conflicting forces often surface and you must be able to handle them while leading the process. You should be able to justify a course of action without merely safeguarding your own interests. Leadership means that you create and lay the conditions for changes. You can instil trust and energy in your employees if you are also a credible role model. Your words and actions must concur when you initiate changes. Being genuine and authentic means that your inner leadership must reflect your external actions.

Help to answer: What's in it for me?

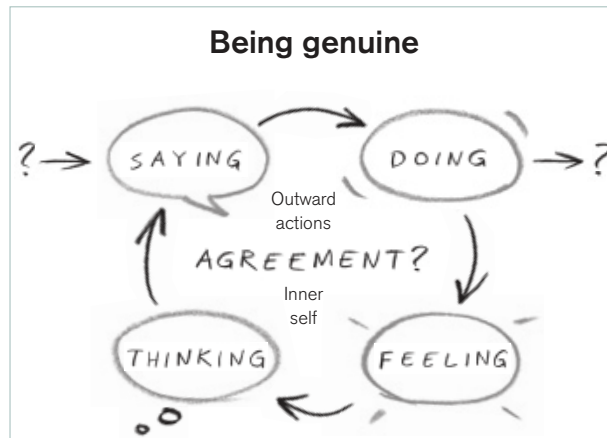
Chronos time: rational, logical and system time.

Kairos time: Time to connect and time for our soul.

Being genuine means being in agreement with your inner and outer self – to walk your talk.

Creating TRUST is a key.

Trust is built on integrity, concern and delivering results.



Picture 9

Trust comes from a consistent and persistent way of acting.

Source: M Buber

View yourself as a bridge between levels, a junction for cross-contacts that makes you a co-ordinating force in the organisation.

Part of your role as leader is your ability to constantly alternate perspectives, from the close and everyday to the overall intentions for the future; from the inner world to the outer; from human to system; from individual to group; from the organisation's needs to customers' needs.

The golden rule is to create a climate for learning and involving the employees. Various ways of developing and diagnosing your own team can be found in your compendium.

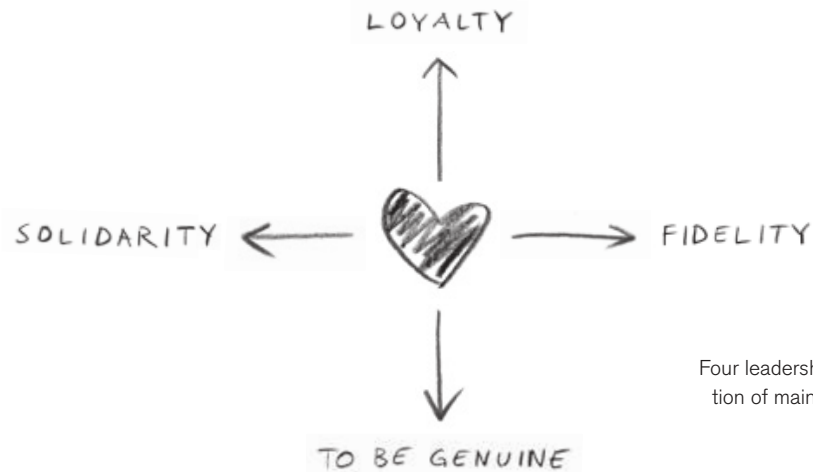
To succeed with the change initiatives, we know from experience that trust is the key to success. Trust is about predictability. Trust is also about

having shared values that remain firm even when circumstances in the organisation change.

Building trust is about achieving results related to business agreements and following these agreements. It is also about acting with integrity and behaving in a consistent and genuine manner. Building trust and confidence is also about demonstrating empathy by respecting the well-being of others. We also know that trust is built up through a concurrence of word and deed. You keep your promises. You share vital information. You keep information confidential. You are loyal and committed to your task. Your behaviour is honest, fair and ethical. You are interested in and seek out other people's opinions. You respect and accept different opinions and deviations. You dare to speak openly about your own weaknesses and strengths and you are able to show your own vulnerability.

CHALLENGE 7: HANDLING CONFLICTING EXPECTATIONS

As a leader you are always leading in a cross-fire of expectations. You are forced to make choices and act at the break-off point of varying interests where there is generally no distinct right or wrong. This could give rise to various dilemmas, which are accentuated during major change events and crises. As manager you are expected to show: *hierarchical loyalty* to your superiors and principal; *solidarity* towards the organisation and colleagues; *fidelity* outwardly, to customers and clients, while at the same time being true to yourself, in other words, to feel *genuine*.



Picture 10
Four leadership dilemmas - it is a question of maintaining a balance between the different expectations.
Source: L. Svedberg

Try and remain in the centre of the heart and look beyond all the individual special interests. This is easier said than done since your own values will be pitted against those of others. An illustrative dilemma might be when you are expected to act loyally under pressure while at the same time you are receiving ambiguous directives from your principal. Moreover, you are expected to cement the decision with your employees and generate a sense of democratic participation. This is when the dilemma arises of being credible in both the eyes of your principal and your employees.

When we have the courage to meet and confront the challenges of leadership, we can more easily live with the opportunities and limitations when we try to renew and change our organisations.

SURVIVAL STRATEGIES

When psychological (invisible) contracts are out of balance and the situation does not allow a win-

win relationship between the needs of the individual and the organisation, an energy leak and value conflicts arise. Three different survival strategies usually crystallise from this:

Loyalty

You are there, you persevere and continue to work loyally even if you do not agree 100% with what is happening.

Voice

You express in various ways your own values and needs and direct attention at the adjustment problems that arise and that must be resolved in order to progress in the change process.

Exit

You may have tried both routes earlier but find the situation unbearable and consequently change jobs or leave the organisation.

*Try to be at the centre of the heart
– but don't lose yourself.*

ISSUES FOR REFLECTION

1. Which of the seven challenges do you find most difficult to handle?
2. Which of the challenges are you good at handling? Why?
3. What do you need to change, develop or improve in order to accept the challenges?
4. Which of the seven challenges will be most important for you to handle in your present change initiative?



3

LEARNING

Learning and change go hand in hand. When we learn we change. Learning can in itself be a process for the organisation that generates resources. To manage both the demands of the business as well as those of the individuals in the change process, we need to "learn to learn": to experiment, try various alternatives and expand our curiosity and ability to reflect in all contexts.

However, it is not always easy to see and switch perspectives, or find new angles of insight in terms of one's self and one's job in times of change when we may feel our own identity is threatened. Being able to develop an approach in which you as leader can combine an outside perspective with a parallel inside perspective means being able to live with both distance and closeness. If you can do this you can give yourself the opportunity for reflection that contributes to new insights, perspectives and behaviour patterns.

The various stages of change place new choices in our paths. We also need to learn new ways of being and learn from old ways of being. These choices often involve a conflict between the need for security and the need to examine what the new involves.

The new uncertainty generally implies risk, which stirs our insecurities and our fear but also our curiosity. As a leader your task during the various phases of change is to make the apprehensions and confusion that always arises as a psychological phenomenon in conjunction with major organisational changes comprehensible, meaningful and manageable.

If you manage to create a trusting dialogue where you make things comprehensible, meaningful and manageable for your employees, then you have also created the foundation for the new learning that the organisation needs. Learning can be one option for manoeuvring through apprehension and confusion. The graphical sequence of the change curve may indicate a position of energy over balance/imbalance, but also of identity in transformation. It also indicates the curve for learning that often occurs in conjunction with changes.

TIME FOR CONTEMPLATION

If you continuously use tools such as contemplation, assessments and reflection, you can avoid desperate situations and a loss of self-esteem in conjunction with changes.

This knowledge is acquired by consistently working with the challenges that are to be found in the impending changes, but also by learning from previous changes you have experienced. Most managers also view changes that the organisation has lived with for a long time as a lifestyle, and enjoy the challenges presented by the changes and for the most part also see the opportunities.

Guiding a ship to port in calm seas is something every manager can do. It is when the waters get choppy that our leadership abilities are tested and it is then the quality of the leadership is reflected in how effectively your group manages.

As manager you need to live with a feeling for the situation where you through your actions assess what

Create a dialogue built on trust.

Learn to learn from what you and your employees go through.

We grow when we learn

*Dialogue is when we can speak
with out fear and listen without
resistance.*

is the right course of action and the right timing. But you also have to try to learn from what is happening and what has happened with your employees.

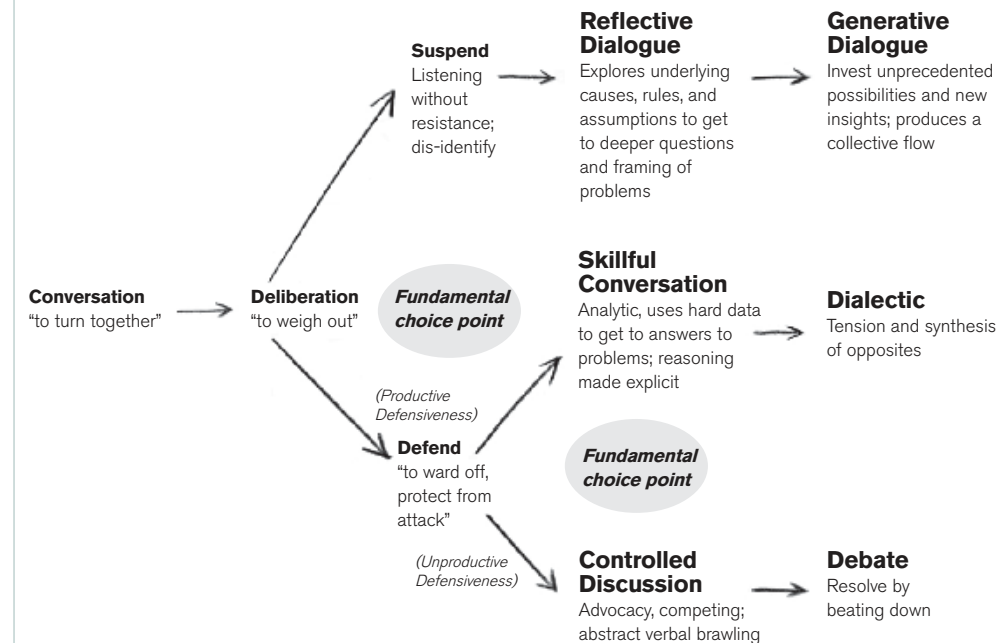
See **EXERCISE** *Team reflection.*

DISCUSSION AND DIALOGUE

As leader you must create mutual understanding in the ongoing change process. You do so through dialogue. It is important to note the difference between dialogue and discussion if we are to be able to actively choose which type of conversation we want. To maximise our level of learning, you must encourage dialogue instead of discussion when the team reflects together. During a dialogue we are open and neutral to what is being said and we listen and express ourselves without fear.

The more knowledge we can produce together in the team, the quicker we can change our situation. Creating learning processes and a learning team is both now and in the future one of your most important duties as leader. In addition to giving purpose to the future, you as leader have a responsibility to create learning and growth processes for yourself and your employees.

Changes are often associated with crisis and anxiety, but they can also be something exciting and which offer new opportunities to learn and develop. In times of great uncertainty we need a different type of planning and approach to people. It is about you as leader being able to maintain a culture of pride, as well as a climate in which you deal with



Picture 11

It is an individual decision – in the open attitude will the deeper learning grow.

Source: W Isaac

both difficulties and challenges while continuing to work with enormous self confidence.

PARTICIPATION

Every change in an organisation or work routine in which the individual employees are not actively involved is a wasted opportunity for learning and competence development and normally generates frustration and stress in your unit.

It is important to see what has happened and what is imminent. Analyse business requirements from the outside in; in other words, from external demands to the company's functions. Let analysis of human demands stem from social and psychological positions. In other words, work from the individual level over the group level and upward in the organisation. As we have pointed out previously, the change process is as essential a part of the final result as the organisational solutions.

DIALOGUE AND FEEDBACK

Feedback and strategic dialogues are what create long-term success in change processes by laying the foundation for organisational learning. As leader you must understand that changes take time. But you must also be aware that development and the change process must be put in a longer time perspective. We see time and again that people make the mistake in their change process of underestimating the demands of the individual, reserving too little time for the change process and have a lack of understanding for the process itself. The key today is to adopt a holistic perspective and be able to live with the complexity. A manager cannot address just one issue at a time.

Complexity and turbulence can only be handled when the employees in the organisation are entrusted and authorised to take more overall responsibility. For this, we as leaders need to communicate more and delegate more, and not just empower staff and experts to become actively involved in the change initiatives. It is important that people with different backgrounds, economists, engineers and HR people acquire a common terminology and understanding of the process in order to drive the changes.

An organisation is ultimately a series of agreements, which is why there must be room to work through and create an understanding of what the organisation is today and what it should be in the future. As leader, you need skills and methods to change your own organisation. The aspects of change events that you need to master and have the tools for include analysis, action, experience and reflection.

Analysis includes the questions: What does our organisation look like today? Where are our greatest energy leaks? But also: What are our visions and goals?

Action includes the questions: What do we need to realise the visions and goals? How do we repair the energy leaks?

Experience includes the questions: How do we execute our action plan? Will the plan give us the organisation we want? Do the methods work as we intended?

Reflection includes the questions: Is our understanding correct? What can we learn from the change process? Are our visions and goals the right ones? Are our methods the right ones?

Living in complexity calls for a holistic perspective.

Work from the individual level and upward in the organisation

TIP: Use these questions for a dialogue in my team.

Employees expect and demand to be involved.

Learning and development go hand in hand.

LEARNING TAKES TIME

Structural changes require genuine learning by both the leaders and the employees. The time for simple "quick fix" solutions is gone. Today's employees both expect and demand to be more involved in changes, which allows for broader participation in the learning process.

What we as leaders look for through follow-up and learning is to discover and address impediments in order to free up energy. If you as leader forget to address these needs, you are also building a feeling of inability and incompetence in your employees.

We have unfortunately witnessed how much too strong and manipulative managers make their organisations and teams dependent and work too manipulatively. The result is that criticism is silenced and conflicts are pushed beneath the surface. Fear becomes the primary motivator. This normally breeds defensive and reactive behaviour that causes changes to proceed much too slowly. The changes do not have the intended effect. The leaders have omitted acceptance and understanding.

If you as leader want to create loyalty you must contribute to a corporate culture with values that your employees can identify with. See your employees as subjects and not objects. Work to create participation and learning, and conditions that breed professional pride. Your best consultants in your change process are your employees. There is no one right way to run a change process. You must find your way.

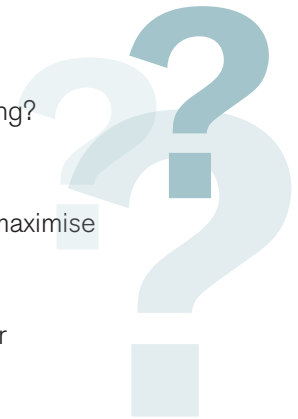
NO DEVELOPMENT, NO LIFE

Learning, development and change go hand in hand. When we learn new things we grow. Freedom, trust and changes are conducive to learning, development and change. Isolation, fear, anxiety and indifference however stifle a creative organisational climate and prevent learning and change.

Because we emphasise observation and reflection, with employees creating the foundation for the conditions required and the results, it is essential to support the new ideas that emerge and release the new collective ambition.

ISSUES FOR REFLECTION

- 1.** How do you and your team work today to make the most of learning? (See **EXERCISE** Learning Levels)
- 2.** How will you and your organisation work during in the change to maximise your learning?
- 3.** What will you do personally to increase the level of learning in your organisation?



4

PLANNING

Drive and determination are essential when working with change, but reality is often the opposite. It is difficult to gather around what is best for the business if it involves a diffuse or uncertain future for many people in which areas of responsibility are affected or altered significantly. An enormous need for information and supportive activities requires very careful planning. People can become paralysed, each one putting themselves first, and they can waste energy guarding their own territory. You must also allocate more time and be more accessible. This should also apply to management teams and management activities.

A management that has consistently and persistently worked to form a basic sense of security in the organisation, marked by openness, honesty, respect and caring for the individual, will have an excellent foundation from which to face the changes. In simple terms, people who are in sound physical and mental condition are more resilient to stress. It is important to uphold the organisational self-confidence and create the conditions to sustain it throughout the change process. This can be achieved through a lucid, open culture in which active measures are taken to give each other feedback and allow group reflection.

PARALYSIS AND EXCLUSION

In conjunction with more radical changes, the severity of the situation and the weight of the issues on the table can lead to agonising over a decision. The decision-making and communication routes do not always function as before. More line managers may be directly involved, or perhaps they themselves will be leaving their positions when the new

organisation takes shape. They often feel excluded. It is vital that managers and employees do not feel excluded from the flow of information. If people are forced to live in a vacuum of absent information, rumours surface and it becomes difficult to constructively pursue the essential issues.

The most crucial issues in the entire planning effort include the questions "Why?" and "How does this affect me as a person?". Management must prepare a concise and straightforward message that everyone can support and which explains why the company will undergo the change and defines the goal.

VISIONS MOVE US FORWARD ...

It is a huge benefit to your change efforts if you can consistently and persistently work with one vision and an attractive image of the future. An excellent vision clarifies the general direction in which the company will move toward, it motivates the employees to act in that direction and it helps co-ordinate all crucial activities. The more you can work with images of the future, visions, targets, etc, the more distinctly you can answer the questions "Why" and "What's in it for me?".

It is essential to give a clear, comprehensive picture but it is equally important to work with a relevant picture of the present situation.

...AS DOES EMPLOYEE PARTICIPATION...

A fundamental concept in all change efforts is involvement. Good planning makes it easier to start the change. During the initial phase, it is appropriate to limit the planning to a change team, preferably the

Need to allocate more time and availability.

"Why" is a crucial question to answer.

A clear, understood and shared picture of the present situation and vision is the key.

Employees need to feel included in the information flow.

Anticipate the human reactions.

Be proactive with support!

management team. They should work on the principle of providing information as openly and honestly as possible. It may, however, be necessary to keep certain information secret for business reasons.

All important information should be presented to those concerned at the same time and as early as possible. We will address how you can work with information and communication in conjunction with change in a later chapter.

...AND INSIGHT INTO HUMAN REACTIONS.

To be able to help and support separate individuals and groups in the new situations that arise during the course of change, both you as leader and your employees need to be aware of and understand how people react in the face of change and that there are different stages. Everything cannot be factored into the chaos that sometimes arises, which means it is also about being able to live with uncertainty in the face of the unknown. Building up confidence in the new situation is a gradual process.

PLAN SUPPORT ACTIVITIES

Support systems are something we need to review and develop regularly (see **EXERCISE** My support system). Support activities may be required when dramatic changes are being made. As leader, you must plan in advance since an emergency situation can arise and quick, efficient support can be difficult to find. It is also important that you prepare several types of support activities and the option of adapting them to the individual. Remember also that support activities are as important for those

remaining in the organisation as they are for those that have to leave.

The following are examples of support activities:

- adviser-led group discussions (for both managers and employees)
- professional conversation partners (internal and external)
- outplacement support
- financial counselling
- change process and crisis management training
- extra physical activities
- family counselling
- support from friends
- employment clubs
- self-strengthening activities
- life and career planning
- wake for the old organisation
- rewards

Support activities, particularly for those remaining with the company

- crisis management
- goals and personal development dialogues
- goals and vision teams
- team-building for new or re-formed teams
- rewards for efforts and loyalty

USE YOUR SUPPORT FUNCTIONS

There is a great deal of qualified help and support available, both internally and externally. Make sure you contact the support functions available to you and find out what they can offer. Below is a brief presentation of the primary support functions.

Human resource staff generally have extensive experience and training in how people react to change and is one of the first support functions you should contact. They are familiar with the organisation, usually from a perspective that differs from the one we have acquired during our time as leaders in the organisation. The HR staff can also help with important legal and administrative issues that arise.

Depending on previous relationships, *union organisations* are also a potential support function. It is essential that the work is done with mutual consensus. The unions can serve as support groups and provide extra security by safeguarding the employees' needs and rights. If good relationships are formed and promoted during the company's normal circumstances you will have a wealth of confidence to draw on when times are hard and dramatic changes need to be made.

A highly qualified support function that is often forgotten in this context is *corporate healthcare* services. They usually have a good idea of how the organisation's individuals are feeling. Many talk about their emotional state during a visit. In some cases, employees make appointments to talk about how they feel and find someone to whom they can talk. Corporate healthcare services have expertise in crisis support and can be an enormous asset in dealing with people who fall outside the normal pattern for crisis management and need extra support.

An important support function we do not normally consider is our employees' families. *Families* are often the only form of security when everything around

us feels as if it is in a state of chaos. The support that a family can offer is extremely valuable if the entire family has general knowledge about an individual's loss curve. It can therefore prove extremely valuable if we can offer families this type of input.

Last but not least, leaders also need support for their own thoughts and emotions. It can often feel lonely and the notion "I'm probably the only one that feels this way" is not uncommon. It is important to have a *network of other managers* that allows us to reflect and express our feelings. We often wrestle with the same issues for which we need to find solutions. If you are not already part of this type of network it is a good idea to start one.

As leader you also have a need to speak in private with someone. Do not be afraid to contact one of the above support functions for a private discussion. In some cases it may feel better to speak to an *experienced behavioural scientist* or psychologist. Do not be afraid of this type of contact as it could well be worth the time you invest.

STAKEHOLDER ANALYSIS

When drawing up new visions, strategies, goals and structures, it is important to know the stakeholders and their expectations. Maintain a dialogue in which you check what the mutual expectations are in dealing with the new circumstances and challenges. The final document is not what is most important here but the process in which we work to merge our expectations (see EXERCISE Stakeholder analysis).

FORCE FIELD ANALYSIS

A **force field analysis** is a good tool when you face a difficult situation. The analysis is a way of visualising and mapping the forces and energies that exist in needs, desires, fears and other emotions present in the individuals concerned. The analysis visualises the forces working for or against a given change (see **EXERCISE** Force Field Analysis).

BALANCED SHORT-TERM PLAN

You also need to **work** with short planning horizons in conjunction with major changes that demand in-

dividual growth and adjustments. This is because there are so many unexpected reactions and events that surface on both the visible content level and the invisible process level. It is a good idea to have a rolling three-month plan that you review and update once or twice a month with your change team, depending on how much impact the change has on individual people in the organisation. (See **EXERCISE** Balanced plan.)

ISSUES FOR REFLECTION

- 1.** What vision or long-term goal do you have for the change you are facing? Is it known, understood, manageable and attractive?
- 2.** What forces exist for and against the change you are facing?
- 3.** Who are the stakeholders with expectations of the change and are these expectations known and shared by all concerned?
- 4.** What type of support systems (individual and collective) do you have or need in order to manage the transition?



5

COMMUNICATION

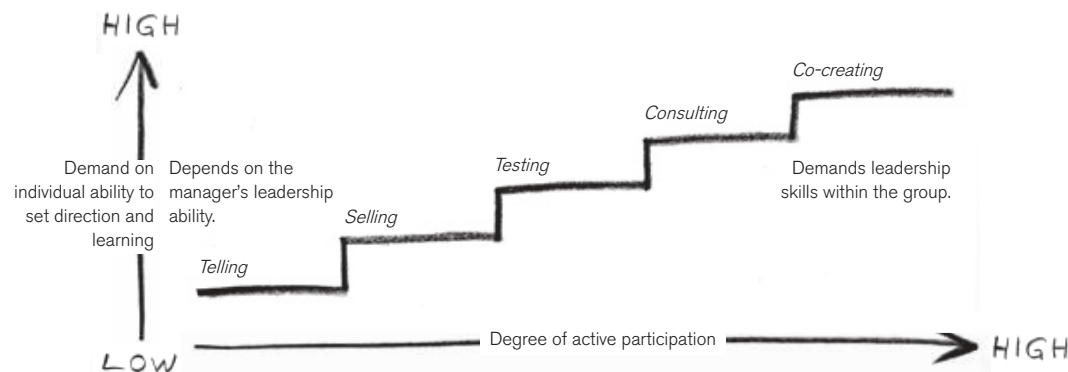
Your ability to communicate with others in conjunction with changes is very often the deciding factor in terms of whether the change is a success or not. It is through dialogue and understanding that you create an acceptance for the change and it is through communication you can capture the apprehension and uncertainty that people facing change feel.

Throughout the entire change process everyone will have a greater need to talk and vent issues, emotions, frustrations, dreams, possibilities, ambiguities, rumours, etc. The overall objective is to keep everyone informed, even if the specific goal of each meeting varies as you progress through the various phases of the change process.

Begin by determining in the management team to what degree you want employees to participate in

the change. If you feel the change will demand a high degree of individual ability to set goals and direction as well as learning, then it is best to choose a form of communication that involves a high degree of involvement. The diagram below can help you decide.

How you present your message, what you say and how you discuss things with your employees will be decisive. Demands for more information and communication will also increase in conjunction with the change. Your employees will want to be involved and influence their situation. As manager you are in charge of making sure communication functions satisfactorily throughout the entire change process.



Picture 12

Use this picture to discuss and decide to what degree you would like to involve your employees.

Source: *The Fifth Discipline Fieldbook*

Times of change call for more communication.

Employees will want to be involved.

Primary are "who?", "expectations on me?", "help and support", "new behaviours".

Rumours are a way to maintain power and authority and to create unity.

PRIMARY - NON-PRIMARY

There are normally many issues that need to be questioned, planned and led in conjunction with organisational changes. As leader, it is easy to believe that the primary communication issue is what structure, organisation scheme, work instructions or control systems we need to create in order to get the employees to embrace the change. And since much of the leader's daily focus is on budgets, financial and strategic targets, it is easy to believe that if we get this in place and inform our employees then we will be able to handle the change. But change from a human perspective means that the individual is primarily interested in questions such as "What are my new duties?", "Who will I be working with?", "What is expected of me in terms of new skills, new behaviour?", "What type of help and support will I receive?", "Who is my new supervisor and what will he/she think of me?".

AVOIDING RUMOURS

Insufficient and distorted information obstructs good change efforts. Rumours spread quickly during the change process. Rumours exist to a greater or lesser extent in most organisations and it is difficult to say exactly where they begin and where they end.

Rumours are often a way of relating to power and authority in the organisation – a form of counter-power that runs alongside, and sometimes in direct contrast to the official information.

Rumours arise due to lack of information and often because the message is misinterpreted. There is a significant risk that the message will be

misinterpreted and misunderstood, particularly in taxing situations such as a reorganisation. It is therefore vital to repeat the message, even if this is tedious for the person giving the information.

When a group of employees is uncertain, with threats hanging over them, rumours can be a way of creating unity. Partaking of the rumour process is a way of belonging to the group and creating a 'we' feeling.

Rumours spread because there are always active instigators and messengers who get satisfaction from the rumours. Many rumours spread not because the messenger believes them but because they may be amusing, shocking, attract attention or afford a higher status to the messenger.

Rumours can contribute to simplifying and categorising situations, making them easier to understand. They can also connect events that would appear isolated and random. Rumours can surface if the information provided does not satisfy preferences, alleviate or confirm concerns or contribute to resolving conflicts.

Long information and decision-making chains in an organisation contribute to distorting information. Spreading information through different routes can diminish the veracity of the original message. It is therefore essential to keep an open dialogue on various levels in the organisation that allows managers and employees to deal with the consequences of the message.

In summary, we can note that rumours blossom when an organisation undergoes change processes

and the employees feel they are losing control over their own futures. The spread of rumours flourishes in organisations where decisions are taken over the heads of the employees, where employees do not participate or are involved in the change process and resistance to change arises.

The spread of rumours can be kept at a minimum in an organisation where internal information works and where openness and participation exist. True and direct information is an element of good change efforts. One way of connecting with emotions and rumours in conjunction with change is to open change meetings with "Diagnostic questions". This will help you listen more actively. Read more about how in [EXERCISES](#)

ESTABLISHING A GOOD CLIMATE FOR COMMUNICATION

A really good climate for effective and credible communication can best be created when everyone in a leadership position conducts themselves in an open and honest manner over an extended period of time.

Openness and honesty is particularly important during change processes. Openness and honesty are also essential to maintain credibility and instil trust in the new situation. You can prevent rumours, concerns, misunderstandings and even mistakes by establishing an open and steady flow of communication.

Many managers often avoid presenting uncomfortable messages. They claim to be too busy with too much to do to have time to spend with their employ-

ees. But studies indicate that if the managers do not invest time in their employees early on, they will end up spending more time sorting out all the problems that arise due to misunderstandings and rumours. You will be able to nip a lot of problems in the bud if you are emotionally present and make yourself more available. It is vital that you prioritise the times set aside for information and conversations.

You have several different communication channels at your disposal: information meetings, newsletters, e-mail, video conferences, personal discussions etc. There are pros and cons with all channels.

Use the one that you feel most comfortable with but remember that you must leave room for discussion, either individually or in a group. Remember to also update employees working abroad. The organisation's customers also need to know what is happening. Keep them updated at regular intervals.

A FEW ESSENTIAL APPROACHES

Meet your staff in person. Allow yourself time to meet your staff when you inform them about the planned changes. Give them the chance to ask questions. Make it easy for them to express what they feel and allow spontaneous reactions. It is a good idea to prepare a written document that confirms what you have said. This is particularly important when dealing with major changes of a distressing nature.

Tell the truth. The more informed your employees are, the less apprehensive they will feel. If you do not have the information yourself - tell them so. You

Participation and openness minimise the spreading of rumours.

Make room for questions and discussions.

Prepare a written document.

Continue to inform even if no new information is available.

*Show that you are willing to listen
to both concerns and feelings.*

Dare to share your feelings.

will be more credible if you explain openly what you know and do not know. Encourage questions and try to find answers to the information you do not have. Arrange meetings as soon as you have new or complementary information to share. It is better to spread too much information than vice versa. Also remember to give feedback on how the change efforts are progressing.

Express your emotions. Do not shut out your employees from how you feel. They want to know your reactions. You will gain more recognition and understanding. This also helps establish a more open communication in which your employees feel comfortable expressing their feelings. If it is appropriate, talk about how the change will affect you personally.

Before you meet your group, make sure you are well prepared for the following:

- Describe the various stages of the change in detail as you know it.
- Explain what effect the change will have on your employees.
- Open the floor to questions and try to involve everyone.
- Listen to your employees and treat them with dignity and respect.
- Share your own feelings (if appropriate).
- Ask for help and support in implementing the change.

ACTIVE LISTENING

Many managers are so busy informing their employees about the change that they talk throughout the entire meeting and allow little or no room for ques-

tions and answers. The secret behind successful change leadership is not only to speak openly and directly, but also to listen carefully to what is being said – and sometimes even to what is not being said but is in the air. Active listening not only highlights what is said, it also brings out the emotions and state of the organisation that is behind and below the surface.

Active listening shows your employees you are willing to understand and welcome the considerations and emotions that they want to express. So:

Be attentive with your entire body. Face and concentrate fully on the person in question. Do not sit sorting or reading through your own papers.

Maintain eye contact. Listen to what the person is saying and be observant of your employee's physical expressions. Try to interpret the body language with what is being said.

Show an interest. Repeat now and then what the person has said to verify that you have understood.

Ask with open questions. It often takes time to explain yourself or describe your emotions in an honest and comprehensible manner. Open questions require more than a yes or no answer. (What was your first reaction to the change? What affect do you think it will have on our team? What in your opinion are the pros and cons of this change?)

Listen to the emotions behind the words. There is always a feeling or attitude behind what a person says. If you think that the person feels something that is not evident in the spoken words, follow up with questions such as "Are you upset about this change?" or "How do you feel about this change?"

Confirm and clarify what you have heard. Make sure you have understood the message correctly by

repeating it. Try to summarise and define the most important aspects.

When you let go of your fear of facing what is difficult, you release energy and it is easier for you to create a human meeting based on your own empathy and compassion.

ASK DIAGNOSTIC QUESTIONS

It is a good idea to open all meetings intended to communicate or work on the change with a few diagnostic questions to sound out where the group is in relation to the change. You should also be prepared to adjust or completely disregard your scheduled agenda if it does not meet the group at the same level you expected. It is essential that you as leader show that you are listening and taking in what your employees are thinking and feeling about the change. This does not mean you have to do exactly what they say, but it is important to show you care about how they feel and think. The ability to show compassion and care is crucial to building trust. Read more about how to work with diagnostic questions in **EXERCISES**

RESISTANCE

It is natural to face resistance in all change processes. This stems from our basic psychological need to find security in an uncertain situation. The old, familiar patterns and routes are the security we seek.

By discovering and examining the roots of the resistance with your employees, you can find a way to meet and deal with them. This is by no means an

easy task. It takes time and you need to be prepared for many discussions with your employees.

LIVE AS YOU SPEAK

An important and sometimes decisive factor in communication is what you as leader do after you have conveyed your message. To reinforce credibility and induce your employees to follow your lead, you need to be prepared to live out your words in your actions. On the one hand, you need to follow the process planned in conjunction with the change – on the other hand, you follow your own basic values when you implement the change. Both aspects require careful consideration and planning, both yours and that of the management group. If feelings, thoughts, words and deeds harmonise, your behaviour will be congruent – linked – and you will be perceived as genuine and credible.

MANAGERIAL BEHAVIOUR TO AVOID

Not everything will go as planned, be ready on time or mean that everyone is satisfied and positive about how the change is being implemented. There are a few traps we want to warn you about:

1. **You cannot reach consensus** in a major change process.
2. **Avoiding or ignoring resistance.** Resistance is usually not a pleasant experience. It feels like everyone is angry with you and views you as the culprit. This condition is normally temporary. Denying resistance only makes it stronger and prolongs it. Include the resistance instead. Take a close look at it by listening and having an exploratory discussion.

Walk your talk – be true to your own values.

Show sincere interest and concern.

Examine resistance together with your employees.

3. **Hatchet man and saviour at the same time.**

As manager you can find yourself on two sides and you must avoid being the one holding the axe and offering comfort at the same time. If you must notify an employee of something that risks upsetting him/her, make sure there are others on hand to assume the role of caregiver.

4. **Forced team-building exercises.** When the change process is under way, you as leader may feel the team should participate in team-building exercises to function effectively again. It is usually pointless to embark on team-building exercises when the team is in the shock, reaction and early coping stages. What the team needs instead is to deal with the loss and sorrow that it feels, complain, and compare with other members of the team before it can begin building up trust and collaboration again.

5. **Emphasising productivity.** Some managers believe that if they demand extremely high productivity in the midst of change turbulence, they will get it. The employees may respond in the short term but the effect tends to ebb and even diminish. You cannot ignore the psychological reactions that are part of the process. The risk is that the organisation will get bogged down, everything collapses and no one believes in the new situation.

6. **Don't push it.** Your employees might need more time to think about the situation. You as manager must be sensitive to how hard you are progressing.

7. **Don't trivialise.** Humour is good but never trivialise a fear or question from an employee.

THE TOUGH CONVERSATION

It is no easy task to tell an employee that he or she is being transferred, given new assignments or needs to accept a cut in pay. We know from experience that many managers and leaders try to avoid such discussions.

Most difficult is telling an employee that he or she will be dismissed. There is no way of avoiding the fact that the employee will feel threatened, both with regard to existence and identity. He or she will want to defend themselves. Defence mechanisms are our protection against threats and often stem from a fear of not being good enough and not being accepted. Our defence mechanisms also kick in when we don't have a channel for our most important needs and values.

What makes this discussion particularly difficult is that you as leader must be willing to face the emotions that arise during this conversation: pain, apprehension, and anger. You need to be able to accept and carry not only your employee's emotions but also your own. It is a question of having the courage to share the loss and grieve together.

Words are not what mean the most in difficult conversations but the emotions you convey. Your employee needs to feel your empathy and that means you must be emotionally present throughout the discussion.

Developing our empathetic capability requires considerable self-awareness and knowledge of how people react in crisis.

The earlier you inform your employees about the change, the greater the chance for them to take part in the process. This will allow you to find mutual solutions much quicker, and it will be easier for your employees to move on.

Before you start the important discussion, think through what you know about your employee's work and private life. Think and speak in terms of opportunities and measures.

The best way to be supportive during the difficult discussion is to try to maintain an even dialogue where you listen actively, where you instil trust and support for the future, where you can allow room for emotions and where you are prepared to face resistance and defence. Be as honest and distinct as you can.

Remember, in most cases it is not more knowledge you need but practice and experience in conducting the difficult discussion.

FOCUS ON...

When you have a difficult discussion, remember:

you are more help:

Concentrate more on the person

The discussion is more about emotions

The present, Now, should be more central...

Better if your employee leads the discussion and decides what the most important topics are...

Try to mirror and reflect the other person's emotions...

If possible, also accept negative emotions (concern, anxiety, dislike, aggression)...

Do not solve the problems of others, but help them find new ideas and ways of thinking...

less help:

...than the problem.

...than facts.

...than the past.

...than if you lead and choose

...than asking or assuming.
(which can lead to a dead end).

...and not just positive emotions.

...instead of giving expert answers
taking over or promising too much.

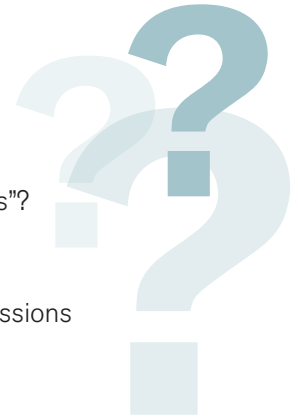
Source: B Dahlbom-Hall

Emotional presence is more important than facts.

Prepare for carefully for difficult discussions.

ISSUES FOR REFLECTION

1. What do you feel that you and your management group should focus on to communicate your change better?
2. Do you feel secure and decisive in handling "difficult conversations"? If not, how can you develop this ability?
3. Do you allow enough time and space for understanding and discussions with your employees?
4. What do you find most difficult in a face-to-face meeting in a change dialogue?



6

HUMAN REACTIONS

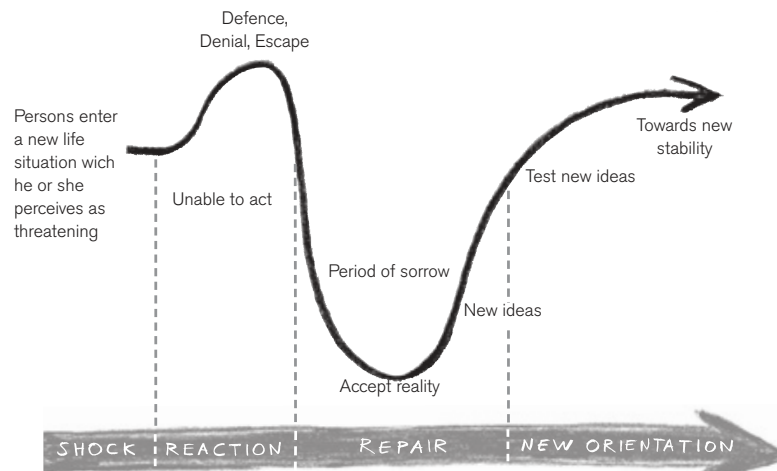
We all react differently to organisational changes, positively as well as negatively. It is when the change is seen as a loss that it can be viewed as a threat or crisis. Examples of types of losses that arise during organisational changes include:

- Loss of colleagues, managers, co-workers and friends
- Loss of power and opportunity to influence
- Loss of security and status
- Loss of expected future scenario
- Loss of resources

Some of these losses can be perceived as less significant and dramatic for some but can be com-

pletely overwhelming for others if there is a loss of purpose and strong reactions. These losses lead to reactions of grief that may be associated with strong emotions, counter-forces and resistance. These reactions often follow a cyclical course encompassing the different phases described below.

Our most familiar behaviour patterns are often insufficient when we find ourselves in new, unforeseen situations. In times of crisis we feel that we are not good enough, experience a sense of abandonment and feel that most things are chaotic. Our identities are threatened; we are thrown out of balance and we lack energy.



Picture 13

The loss cure – human reactions during phases of change and transformation.

Source: J Kullberg

People react differently to different types of losses.

Our reaction pattern is quite predictable.

Chaos and confusion.

Ask. "Why".

Bitterness and aggression.

*Defence drops and self-esteem
returns.*

Look ahead and try new things.

THE DIFFERENT PHASES OF THE LOSS CURVE

Shock

The **shock phase** can last from a few seconds to days. We are often blocked and cannot take in what is happening. Reality is perceived as chaotic. We feel like strangers and deny realities. Feelings of confusion, fear and anxiety dominate. Afterwards, we can have difficulty remembering what really happened in certain situations.

Reaction

The **reaction phase** is when we are forced to open our eyes to what has happened. At the same time, we are wrestling with the information and defending ourselves against the new, uncertain reality. The question "why" repeats itself. We revert to familiar ways and patterns to resolve the conflict. We mobilise our energy and we turn feelings of bitterness, anger and aggression both inwards and outwards. It is important to describe emotions with words, though it is difficult and taxing.

Repair

The **repair phase** can go on for a long time – anywhere from a few months to a few years. During this time we slowly begin to accept reality and this leads us to new ideas and choices. We realise that we cannot live in the past. Our defence drops and we begin to rise to higher energy and activity levels. Our overwhelmed and damaged self-esteem begins to recover and our betrayed hopes are addressed. When we get this far we say we have reached phase four, the new orientation phase.

New orientation

In the **new orientation phase** we notice that we have developed and grown. We have learned more. We are more confident about the new. Apprehension and confusion has subsided. We test new ideas and ways of acting. By going through crisis we often emerge stronger and better equipped to meet new changes. We generally say that we have gone through a second-degree learning phase - we have relearned instead of learning new.

LEADING THROUGH THE LOSS CURVE

On the following pages we will delve into the reactions and grieving process that arises when an individual perceives the change as dramatic. We also describe how you as the leader can read the signals and reactions, but also how to lead and support.

THE SHOCK PHASE - DENIAL

The shock phase can begin suddenly when an employee is told about dismissal or a dramatic transfer. But it can also arise gradually as an employee finds out about a change via rumours or random information. If it is possible to control, it is better for the individual and for the manager to handle the first, more controlled situation. The shock phase can last anywhere from a few seconds to a few days.

It is a type of paralysis, often marked by mechanical behaviour and general distraction. The person is void of emotions and often described as "capable", "strong" and "silent". In reality, he/she is shutting out reality, has difficulty processing information and under the surface the entire person is in a state of inner turmoil.

Conscientious, rational actions can be difficult, even impossible. Feelings of confusion, fear and anxiety dominate. We can have difficulty remembering what really happened and was said afterwards.

Signals and reactions

Those around us may not even recognise a state of shock; it does not have to be particularly dramatic, and appears only in small behavioural deviations. There are several different psychological defence mechanisms that subconsciously step in to help the individual through the day, but which conceal the actual, unstable inner state. The mechanisms are often very difficult to distinguish and resemble discrete behavioural disruptions:

- A person can *regress*, revert to an earlier development phase and become childish, irresponsible and perhaps helpless.

- *Denial* of events is common.
- It is easy to excuse one's own role in events, *to project* or blame others. A person who spreads conspiring rumours can believe that a dismissal is due to a conspiracy against him or others. Strong aggressive emotions can surface.
- *Identification* can also occur and this means the reverse, that the person assumes the good qualities of others. For those who identify too strongly with their work, dismissal can have disastrous ramifications for their self-perception and identity.
- *Rationalisation* is when the person justifies their behaviour with reasons that are socially more acceptable than the true reasons. There may be a need to conceal egotistical needs that are at the root of certain actions.
- Some people *isolate* themselves, become insular and reject support from others.
- Others want to be strong, *suppressing* or repressing their reactions. But "getting it together" can be dangerous since the suppressed reactions surface later as physical or mental symptoms that can be difficult to trace.
- *Escapism*, illusion or daydreaming from the truth is a common trick for pretending that things are alright. Common behaviour in groups include "business as usual" and focusing on the past. The energy in the group turns inwards; communication comes to a halt, which can take the form of the end of shared coffee breaks. When people begin to safeguard their own interests, they can begin guarding their territories and it is easy to misunderstand each other. There could appear to be a high level of activity, but this need not mean that things are being done effectively.

Confusion, fear and anxiety.

Energy turns inwards, communication slows down and people safeguard their own interests.

Defence mechanisms step in to help.

Make sure you are available.

Provide information as early as possible and allow time for questions.

Emotions take over and are sometimes incomprehensible.

Strong and primitive defence mechanisms.

Supporting and leading

Is it essential you provide feedback that everyone is working with the right things, instead of doing things right. There is a huge need for communication. Make sure you have time in your schedule for discussions and questions that arise. What you as manager do to ease and shorten the shock phase is to talk frankly and openly with your employees about what the information and decisions involve, try to visualise the context and offer new opportunities in the face of the new situation. This can be done in group meetings and individual discussions.

Try to give information to as many people as possible at the same time. But when drastic transfers or dismissals are an issue, you must first have individual discussions with the people involved, before the information is announced at a large meeting or in writing. Your employees must have the chance to ask questions, particularly those affected by drastic transfers, managerial changes, or when people face dismissal. It is also wise to distribute written information that confirms and cements the information about the decision you need to announce.

Follow up information actively. If the organisation is to be dismantled or staff dismissed, immediately schedule regular talks, preferably once a week with those concerned. Be attentive to the need for support and information. Those being dismissed may need to meet you in private to talk about the situation. The support of co-workers is also essential in this context.

It can be difficult to face a person in shock. There is no right or wrong. The most important thing is that

you are there and prepared to listen actively to both emotions and thoughts.

In summary, your role during the shock phase is to be accessible, listen, maintain contact, provide as much available information as possible, keep your eyes open for new conflicts brewing or behavioural changes and encourage co-workers to support each other.

REACTION PHASE - RESISTANCE

The shock phase and reaction phase are normally referred to as the emergency phase since they deal with issues such as repression, denial, resistance and critical reactions. This is why we devote so much time to these initial phases.

The reaction phase begins when the person concerned is forced to face what has happened and no longer tries to run away from it.

Emotions normally take over in the reaction phase. The situation now is taxing, empty and mechanical. Irritation, fear, keeping a stiff upper lip. Something feels wrong but is it me or everyone else?

The inner pressure looks for release, often expressed in very strong emotions that are sometimes difficult for outsiders to understand. A lot of energy is spent on resistance and defence. The reaction phase is often referred to as the defence phase or censor phase.

Employees can often use strenuous self-control to maintain a behaviour pattern that feels empty, or complete a task that feels questionable.

Signals and reactions

The entire psychological apparatus undergoes a sudden conversion during the reaction phase. Its task is to integrate reality as functionally as possible. When mobilised, the individual defence mechanisms of certain employees can react primitively.

The person affected tries to find meaning in the inner chaos that arose in conjunction with the overwhelming message. The question why repeats itself. As does the lamentation of how absurd and unfair it is that this is happening to me and us. It may be difficult to find an existential meaning if there appears to be no way out of the nightmare. The process eventually advances from irrational to rational behaviour. This can be induced through dialogue, conversations and support. The reaction phase can be a vast rollercoaster ride filled with grief, anger and hope.

At this stage we can observe responses such as aggression, blame, anxiety and depression. It is not uncommon to hear "what difference does it make? The company doesn't care about us any more! I have devoted my soul to this company and look what I have to show for it..."

During the reaction phase productivity often falls drastically and the employees are often out of balance and negative. Many experience troubles in their personal relationships and have trouble sleeping.

The group escalates its unity against a common enemy. This unity is part of gathering strength and arguments to launch at the decision-makers in an

attempt to nullify or reverse the decision. They can form groups, gather facts, write petitions or protest lists, find evidence in the form of mappings or surveys that can be used as counter arguments. A lot of the fact-gathering is biased since they are only looking for information that supports their belief. This is, however, a good process since it helps appreciate and value positively all measures taken.

Supporting and leading

You must be able to deal with critical situations and not back away from things that appear unpleasant. You need to be there for your employees during this phase. You need to be accessible and listen, even if it takes time.

You also need to show that it is fine for your employees to vent their emotions. You will be able to deal with resistance easier if you also accept negative and critical bursts of emotion. In so doing you will facilitate forward motion in the change curve.

Being able to "get it out of your system" is important during the reaction phase. When people are dismissed, both those that will need to leave and those remaining in the organisation feel guilt and bitterness.

The individual needs to address their emotions and grief in order to accept the new reality. As leader you should help as much as possible, but remember too that many forms of help are needed in the reaction phase. It is unreasonable to expect one person to be a pillar through every phase and for all factors. You will need someone who can provide comfort and warmth,

The question "Why?" is often repeated.

Don't wait – deal with the situation directly.

It must be acceptable to show feelings.

Productivity could fall drastically.

Prepare for many different types of helpers and sources of support.

Constantly inform and invite for questions.

Belief in the future and desire to work returns.

Arrange “rituals” to say goodbye and to welcome the new situation.

The question “How?” is often repeated.

someone who can encourage, someone to bolster performance, someone to initiate fun activities, and someone who can provide structure and ask questions. **EXERCISES** includes an exercise that provides the opportunity to map out your support system, and that of others, and how it can be used.

Emotional outbursts can recur and linger as trying behaviour or physical problems. If you suspect that someone really has difficulty unravelling their emotions you should contact your HR contact or someone at corporate healthcare. There are also external contacts that can serve as a sounding board and support for people in crisis.

Remember to continue to inform everyone in your organisation as much as possible. Do not underestimate the need for information, communication and the chance to ask questions even in this phase.

It might also be appropriate to consider if you can organise some rituals that give your employees the chance to say goodbye to the old and welcome the new. Field trips, activities that give the chance to meet the 'new', like a new boss, visits to the new workplace – all can be elements that contribute to people being receptive of the new situation.

Your practical role as manager is more active as listener, explainer and observer.

THE REPAIR PHASE - EXPLORATION

Once we begin to accept our new reality we also begin to see new opportunities. You will see that

your employees start to regain their desire to work and have a belief in the future. Even if this phase can still be perceived as positive chaos it is also referred to as the exploration and examination phase. Your employees have a distinct desire to deal with the new. This is often so extensive that some can perceive it as new chaos. It is up to you to stimulate new ideas and make the most of this new creativity.

Signals and reactions

Strong emotional elements can also exist during the repair phase that now target new logical targets. Your employees will feel a huge need to go to the boss and say what they feel. There may be a pent-up need to express what has been concealed and sort out the new situation. Conflicting opinions and trying discussions may occur but these discussions will probably not have the same unreasonable nature seen during the reaction phase.

A common recurrent question is 'How?' This indicates a willingness to start trying new approaches, attitudes, methods and correlations.

There may be signals that your employees are exaggerating their preparations. There is a frustration – people want so much in this phase but there is still confusion and chaos and it can be difficult to concentrate on work. There is a lack of connection.

Your job is to provide direction and gather energy towards a common goal.

Supporting and leading

There is still a need for a listening and accepting

support group. As leader you may need to repeat a lot of the factual information you have already said and help your employees analyse what has happened so that they can put their situation in context.

If employees still unreasonably criticise the chain of events or individual managers, point out this tendency. Reinforce thoughts related to possible alternatives (but do not say: Let's try and forget this and move on...).

For the repair phase to be as forceful as possible and lead to positive, lasting actions that look forward, the climate in the group and the organisation has to allow for trial and error. There is a risk that attempts will be short-term and lack context instead of having strategically motivated steps. It is your job to support and encourage new thoughts and ideas. The trick is to be both creative and strategic. If you can be happy with "this is the first time we've tried the fifth time" you increase the chance for everyone to learn something new.

Active initiatives such as feedback and reflection are particularly important in this phase. Particularly fortifying and encouraging feedback that helps elevate the individual's self-esteem and motivation. This also helps the individual to take more risks and expand his or her own safety zone. Group reflection accelerates learning and visualises the individual development processes.

You can also actively contribute to the change climate by encouraging and pointing out proposals for improvements. Carefully monitor any projects that

start. Set short-term goals. Hold brainstorming and planning exercises.

The objective is to help your employees see events in perspective and be able to conclude the repair phase themselves and proceed to the new orientation phase.

NEW ORIENTATION PHASE - COMMITMENT

The new orientation phase is a direct continuation of the repair phase and covers the time one year after the event and onwards. We have dealt with our lost dreams of how we wanted life to be. We often notice that we have grown as a result of the crisis and our self-esteem is stronger than ever. We have the courage to try new ideas and ways of acting. We are often better equipped to face new changes.

Signals and reactions

Your employees are now ready to join forces behind a common plan. They are willing to review their objectives and make plans for how to achieve these objectives. The question "what should we do to find the best solution" is heard more often.

New challenges are viewed from a positive and loyal perspective. The climate is positive and active – there is a lot of job satisfaction, purpose and overall satisfaction.

Supporting and leading

Management's primary task is to promote more long-term objectives in the organisation and to unite

Set short-term objectives and follow up.

Allow trial and error. Reinforce the positive.

A common question is "What is the best solution?"

Self-esteem getting stronger.

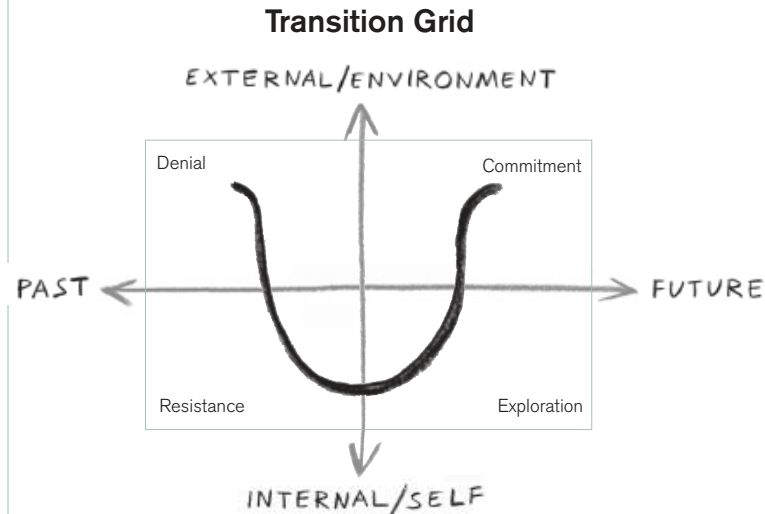
Work with long-term objectives and development of a team spirit.

Energy focus is internal during resistance and exploration.

all personnel around important assignments. To enhance unity as well as efficiency, it is wise to invest in team-building activities in the new or reformed team. This can include reviewing visions and values, or clarifying the group's mission.

REACTIONS ON THE GROUP AND ORGANISATION LEVELS

The patterns can be found even within groups and organisations. In the organisational change process we normally talk about four central phases that relate to the transition grid.



Picture 14

The direction of energy and time in different phases of the transformation.
Source: Flora/Eklind.

Apprehension and confusion are greatest during the first two phases after the planning phase, as is the lack of trust and ability to learn. In the last two phases trust can be rebuilt, learning becomes easier and self-esteem and a belief in the future blossom. The model illustrates how energy levels vary; in the upper half the energy is external toward customers and receivers, in the lower half energy is internal in order to create a unifying force in the organisation. In management work it is about balancing the energy so that customers receive the service they require even when the organisation is busy with internal change processes.

Show appreciation for the work done during the change process. Try to find some type of reward in recognition of your employees' efforts, ambitions and loyalty.

Follow up how the change efforts have been implemented and how your employees are feeling. Reflect on what worked well and what could have been done better. Evaluate the point of improving change-process skills for the next time.

The individual counter-forces can be seen as an effect of the subconscious life that the organisation lives. Most organisational theories omit emotions. They are considered irrational and the organisation is expected to only follow financial and technical rationales. But we know and must begin to recognise that emotions are part of the interaction and part of the organisation process. There is nothing irrational or weak about emotions. The subconscious

life in every organisation contains some degree of anxiety and every individual needs to deal with this. Changes in duties and the organisation affect our identities and relations to others, which can create anxiety that must be diverted. Organisations normally do this through new activities that cause new anxiety. This process is self-generating and happens more often today.

We often hear the expression "that's the way things are done here" and this can explain the collective defence. Both organisations and individuals have a two-faced mask – a Janus face. One side of the mask shows relatively no anxiety but behind the mask may be the face of paralysis and lifelessness. It is easy to change structures but it is difficult to change thought behavioural patterns. Changes can have the opposite effect of what is wanted - in other words, what you want to change may also be reinforced. If you work with group dynamics you will notice that the group always satisfies emotional

needs; needs such as warmth, security, belonging, appreciation, admiration, reflection, competition, dominance and submission.

Everyone can feel apprehension and anxiety. These emotions can surface in change situations. Managers often have to face both their own anxiety and that of others prior to difficult conversations with employees. The manager can easily become a vessel for other people's anxiety. And the anxiety of others can also awaken the manager's anxiety. There are also managers who are anxiety-carriers in themselves and who prefer to devote themselves to pretend activities, shutting themselves away in their rooms, refusing to go to meetings, and remaining occupied elsewhere. These are actions to reduce their own anxiety instead of confronting situations where the organisation's uncertainty takes many forms. Some hide their anxiety by fleeing, like making unnecessary business trips.

Beware of the need to satisfy emotional needs.

Try NOT to take on other people's anxiety.

ISSUES FOR REFLECTION

1. Where are you on the loss grid? Where are your employees?
(see **EXERCISE** Diagnostic Questions)
2. Think back on a significant change in your life. What was most difficult for you to deal with?
3. How should you as leader act to meet your employees' apprehension and anxiety in connection with what for them are significant changes?
4. What is your most common form of defence when your self-image and behaviour is questioned?



7

STRESS

Stress wears down relationships. Organisation is accomplished through relationships. So what are the consequences of stress?

Changes, both desired and undesired, trigger many different reactions. All major changes can be trying and overwhelming. We can experience transitions as exciting and challenging or frightening and threatening. Major changes can be a source of joy and sorrow, anger and feelings of guilt.

Stress, changes and elevated levels of anxiety go hand-in-hand. Stress means strain. Stress helps us mobilise both physical and emotional forces to counteract the demands that arise in a threatening situation. A reasonable amount of stress helps channel energy and is often a positive factor, both for the individual and the business.

STRESS HAS PHYSICAL EFFECTS...

In stressful situations the body mobilises hormones and adrenaline, which are then secreted into the blood. This causes breathing, muscular strength, heart rate and the ability to concentrate being re-adjusted for a fight or flight response. The stress reactions begin automatically, regardless of whether the initiating factor is real or imagined. If you feed your nervous system with thoughts of dangers and threats, the body and the psyche react as if you are exposed to a definite physical threat.

...AND HAS INTERNAL AND EXTERNAL ORIGINS

Factors that induce stress are called stressors, and there are both external and internal stressors. The

inner stressors are the most common and originate in you not living up to the ideals and demands you place on yourself at work or in your private life. Or that your most important needs or values are not being satisfied. Uncertainty born of thoughts, ideas and suggestions that you have not fully understood can have the same effect.

External stressors may be a "hopeless boss", poor information, rumours or a poor working environment. The most powerful stressor of all is The Unknown. The Unknown can conceal a danger and is viewed as a threat to your situation.

The exercise "The Psychological Contract" presented in **EXERCISES** is a way of encouraging reflection. It can also serve as an eye-opener and a way of initiating a dialogue between manager and employee about what your invisible contract looks like. Remember that this must always be done on the individual's own terms.

STRESS IS TIRING AND DISRUPTIVE

Long-term stress relationships can cause problems since they consume energy, create frustration and drain our mental batteries. Stress research shows that too many changes in a brief period can lead to physical or mental illnesses. Stress wears down both out physical and mental well-being.

Stress is tiring. If a tired organism does not have the chance to recover naturally through sleep, relaxation and rest, there will eventually be a risk to life and health, and diminished physical and mental capacity. More and more diseases are

Change and stress often go hand-in-hand.

Hormones and adrenaline are mobilized regardless if the situation is real or imagined.

Stress could come from own demands or external factors.

Wears down physical and mental wellbeing – need time to recover.

*Empowerment and feeling in control
reduces stress.*

considered to be the result of long-term stress or stress-related.

SUPPORTING AND LEADING

As a leader you will be tested through organisational and personal stress in conjunction with changes. Key questions you need to ask are:

- How can I as a leader create a sense of security?
- How can I as a leader help my employees to better understand the unknown?
- How can I as a leader adjust my employees' workloads?
- How can I as a leader create self-determination and co-creativity in the transition process?

Stress research also shows that self control has a stress-reducing effect. Ask yourself:

- How can you as a leader create an open, supportive climate in the work team?
- What type of support do the people in my team need?
- What types of defence and defence mechanisms can I see in the people in my team?

DANGEROUS STRESS

Dangerous stress in working life is caused by a combination of major trials at work and low control of the situation.

- Not having enough time to do a good job.
- Not knowing what to do or who should do what.
- Not receiving feedback on a job well done.
- Not having the chance to make complaints to the boss.

- Being responsible for something over which you have no control.
- Having objectives that differ from those of the boss.
- Not being proud of what you have accomplished.
- Being responsible for other people who do not live up to their responsibilities.
- Not being allowed to demonstrate what you know.

To reduce stress and harm in conjunction with changes we need to create situations where people are empowered and in control of their own situation. Feeling the existence of social support and predictability in the transition process is important. Most people want to know that their actions have purpose and context.

Research shows that people place more demands on themselves as a result of the many organisational changes in working life, escalating profitability demands and constant employee performance evaluations.

Today's businesses have become less tolerant of less effective employees and managers and demand competence development. They have also become more rigorous in their recruitment processes, which also exerts more pressure on employees.

MANAGERS NEED TO BE MORE AWARE

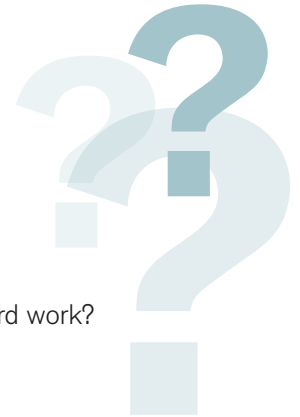
There must be greater awareness, particularly among managers, that many people identify strongly with what they do and how they perform. People with high performance-based self-esteem

over-adapt to the system and can end up in a state of emotional crisis due to exaggerated demands. A person who constantly subjects himself or herself to extreme demands does not know his or her limit, which increases the risk of mental illness, exhaustion and burn-out. We can ask ourselves what our performance culture is like at our workplace – is it healthy and can we change it? Managers need to become better at identifying the type of people whose lives are built on performance.

High performing people run a higher risk of burnout.

ISSUES FOR REFLECTION

1. How do you prevent, repair and handle stress at your workplace?
2. What stress reactions can you see today among your employees?
3. Reflect on the following questions/statements:
 - a. Does someone you know feel that you work too much?
 - b. Do you give yourself enough time to recover after periods of hard work?
 - c. "Stress is the spice of life or the kiss of death"



8

**FIRM
LEADERSHIP**

Creating understanding and acceptance. Fear and insecurity spread in times of uncertainty, when organisational change generates a sense of loss. In conjunction with organisational changes, when facing new structures and demands, it is essential that leaders can also provide clarity and stability in the prevailing confusion and chaos. In such situations we must be able to handle and convert negative emotions and experiences based on fear – in other words, go from apprehension to hope.

From apprehension to hope

Powerlessness	–	Participation
Fear of making mistakes	–	Encouragement to accept responsibility
Isolation	–	Dialogue
Fear of being dismissed	–	Support for career development
Fear of change	–	Shared vision
Mistrust	–	Trust, hope

Even you as a manager may need to address your own apprehension or sense of loss. It is therefore vital that you deal with your emotions and talk about them. Important support groups for you as a leader include your own superior, other managers, close friends or a coach.

The value of the individual is not linked to performance as is the case with the functional value of an organisation (functional value tends to objectify people while the value of the individual sees the individual subjectively). It is important to allow people to retain their dignity, even in trying organisational situations, and to show respect. This demands humility, an ability to listen to others and acting with

integrity. It is vital to be careful and take people seriously during difficult conversations.

In other words, it is a question of how you deal with human encounters. Emotions play a prominent role in what happens and has happened in transition processes. They are the basis for how we address and interpret the next change or reorganisation we face. We therefore feel that the ability to create an understanding, to act with a consultative approach and possess emotional intelligence are a few important factors in being able to manage change.

CREATING UNDERSTANDING

Active communicative leadership that conveys lucid information and si-

multaneously clarifies new roles and mandates that arise in conjunction with changes is essential. It is common to see a loss of purpose, which makes people cling to old patterns. Participation, mental support and arranging arenas where issues can be discussed and negotiated are important. The transition process is filled with major challenges when it comes to using planned measures to influence people's understanding.

In our experience, managers, through their strong roots in traditional thinking, often fall into the trap of wanting to realise new thinking via traditional communication. This is often done with repeated presentations of arguments, descriptions, preferably

Provide clarity and stability.

Emotions are important.

Participation, mental support and arenas for dialogue are important.

Deal with and talk about your own emotions.

Show respect by listening and being human.

Start where your employees are.

People learn best if they are allowed to think for themselves first.

People act on their perceptions of the new rules, vision and values.

Understanding comes through dialogue.

It's about help to self-help.

coupled with elegant overheads. Unfortunately, the result is often that the employees do not understand management's intentions. They continue to act from their present level of comprehension and no significant change occurs in the daily activities. Management may then interpret this as if the employees are obstinate and slow and lack the will to change and the ability to think in new ways. Managers do not realise that people act from their perception of the information and situation, or how people change their perception and what it takes for this to happen.

Research shows that our actions are not actually governed by external factors such as rules and instructions, defined visions or values, which is what is assumed in traditional leadership. Instead, our actions are governed by how we perceive these rules, visions and values. In other words, rules, visions or values per se are not central but how the people in the organisation interpret them given their understanding of their work and of the company.

Understanding-based leadership demands that leaders establish a trusting interaction with employees, where they together reflect on and create an understanding for what the work involves. In this way leadership assumes the nature of a dialogue and a social process, where people in interaction with each other expand their understanding instead of a person that tells others how things should be done. This approach can be threatening since it diminishes their formal position of power. The ability to use dialogue as an approach requires an inner security and self

confidence with the ability to be consultative in one's leadership.

CONSULTATIVE LEADERSHIP

It is unfortunately all too common for leaders to adopt a control attitude and give immediate expert answers. Consultative leadership is instead aimed at trying to produce day-to-day knowledge and begins from the employees' position. It is a Socratic method based on the leader asking the employees questions and arriving at a solution to problems through dialogue with the leader providing help to self-help. People are helped to assume responsibility for their own life situation and their futures. In all teaching we know that people learn best if they are allowed to think for themselves and reflect on their answers, and that the greatest progress is made if motivation comes from within. We learn best if we are allowed to think for ourselves and find our own solutions and answers. Others can help us in the process, which is precisely the aim of consultative leadership.

The consultation becomes a problem-solving session during which a person is helped to see what they have missed so far. This means you always have to start from where the individual is and this demands both modesty and compassion.

The purpose of the consultation is to provide new ideas and support a direction of action for the employee. It has become more common nowadays to call this approach coaching. In principle, the two methods are based on the same teaching philosophies: help to self-help and that people accept

responsibility for their own life situation and future. In both consultation and coaching the employees are central and the discussion is geared towards creating an open dialogue based on trust and mutual confidence. Below are a few rules to consider when consulting or coaching:

- ask more questions than you give answers
- be supportive but also be bold enough to ask the difficult questions
- involve both the heart and the brain, thoughts and emotions
- work with both fact/content issues and with process issues
- have the courage to provide personal feedback at the end of the discussion

Both consultative leadership and coaching require emotional maturity on the part of the leader conducting the discussion. Without this maturity there is a risk that we avoid confronting the other person's apprehensions and that we misunderstand/misinterpret the emotions that surface in a discussion.

EMOTIONAL INTELLIGENCE

We can never understand anyone better than we understand ourselves. That is why you must constantly develop your perception of your own feelings to better home in on and understand the feelings of others. This is a basic prerequisite if we are to comprehend and become aware of emotional group processes. Individuals, groups and organisations are living systems. The driving force behind living systems is energy. Emotions are energy. In order for you as a leader to achieve new goals and channel

people's energy you must first connect with their feelings.

Emotional intelligence is based on several factors that concern both personal and social competence. Personal competence determines how we behave towards others. Social competence governs how we handle relationships.

Among the most important factors on the personal level is self-insight, which includes emotional awareness, correct self-assessment and self-confidence, self-steering, which includes self control, reliability, thoroughness, adaptability and innovativeness, as well as motivation, which includes a will to perform, commitment, initiative and optimism. In social competence we find empathy, which is the ability to understand others, develop others, being service-minded, able to handle differences and having an awareness of power relationships in a group, as well as social capacity, which includes influencing, communication, leadership, teamwork, co-ordination and collaboration, building up a 'togetherness' and an ability to be a change catalyst.

VALUE-BASED LEADERSHIP

We all have inner convictions and principles that govern us in everyday situations. These inner convictions are grouped into what we often refer to as our values. Our personal values steer our daily decisions and actions, both consciously and subconsciously. To open up and welcome change, every individual must have the chance to see how their individual values reason both with how the changes are implemented and with the desired 'new' that we face.

To free energy you need to connect to people's feelings.

It is both about self knowledge and social competence.

You understand others by how you understand yourself.

Our values govern our decisions.

Allow time and arenas to reflect on our values.

Be open with your own values.

Be true to yourself.

Personal and organisational values must be in alignment to create meaning and direction.

As leaders, we discuss and plan how we will handle a change by filtering our decisions through our values, which we then build on and argue for when we communicate our plan to those concerned. To succeed, you must allow time and place for continuous reflection and dialogue about the planned change in which those concerned have the chance to connect the desired change to their personal values and ambitions.

To be perceived as an honest and credible leader you must be open and clear about your own values and your actions must be persistently consistent with your expressed values. You must also try to free yourself from personal values governed by pronounced self-interest and fear. These can be difficult to see and it takes courage to address them with the help of people around you through active coaching and feedback.

CREATE BALANCE AND ENERGY

To create a sense of purpose and context, our personal value system must coincide with the value system of the organisation and society. The result otherwise is a sense of imbalance and exclusion. Current value systems are often shaken in conjunction with change. As a change leader you must create an arena to discuss a new balance in the value system.

Leadership that constantly welcomes an open dialogue to create a common value foundation both for the implementation of the change and for the desired future situation is also based on the best conditions for every individual to feel both motivated and strong enough to welcome the change.

Motivation and driving forces come from circumstances where you feel your self-image and identity have room in the new situation and that the people around you validate this self-image. When these three conditions – self-image, other people's view of you and your personal value system – harmonise with our surroundings, we find a sense of purpose, a feeling of context and we have energy to deal with the challenges we face.

Long-term successful leadership is possible when we are in balance with ourselves and feel an inner harmony with our lives and relationships with others. The ability to be genuine and authentic in our leadership is based on an inner security and stability and that we are rooted in ourselves. Inner leadership is reflected in outer leadership. To be inspired in our work and lives is to be true to ourselves, our passions, our convictions and our courage. Leadership based on genuine self-esteem often instils respect and credibility. Genuine self-esteem comes from personal maturity and from reflecting on our experiences and through insight into our own values, perspectives and behaviour patterns.

Managers are responsible for dealing with both soft and hard parameters. The soft, which we have highlighted and emphasised in this document, are about being able to communicate and handle reactions that normally arise in change situations.

A HIGHLY EFFICIENT MANAGEMENT TEAM

Our experience underlines the importance of not only having strong individual leaders but also a highly efficient and finely tuned management team.

A management team that also speaks with one voice and acts in the interests of the whole organisation.

We see change patterns on the individual level similar to those on the group and organisational level. In times of turbulent change, the focus and energy of the management team could easily be directed at the internal structure and with less focus and energy directed outwards, towards customers, the market and employees.

In times of change, when priorities conflict, anxiety and concern are easily generated among members of the management and internal conflicts and sub-optimisation could easily arise. In such a situation, we have seen that the management team can easily focus on, and put too much faith in, the structural side when in reality it is more important to strike a balance between the structural and cultural aspects.

To make it easier for the management team to act optimally in times of change the following are recommended:

- Have a clear, common vision and view of the totality (see **EXERCISE 10**), with a distinct gap between the present situation and the desired future situation.
- Have clear, consistent prioritisations regarding the way the change process should be led in practical terms (see **EXERCISE 7**). In some cases a specially appointed change team is required.
- Create time for reflection and learning in order to bring about individual and collective understanding and actions (see **EXERCISE 8**).
- Create a common view within the group of the forces working for and against the change and how these forces can be dealt with consistently (see **EXERCISE 5**).

ISSUES FOR REFLECTION

A definition of leadership during transition:

"To see what is happening in and around what you do and to have the ability and courage to act accordingly"

Use this definition as your basis and consider the following statements about your own leadership and that of others during times of change.

"You do not see what is happening and therefore cannot act"

"You see what is happening but lack the knowledge and courage to do what is needed"

"You do not understand what is happening, but act according to standard routines"

"You do not have enough levels in time and space to be able to judge the consequences of your actions"

"Imbalance in those around us prevents you from being competent"



9

**BUILDING
A FOUNDATION
FOR CHANGE**

Changes in the world around us occur more often, more forcefully and are more difficult to predict than before.

We come from a time where the work culture has been based on control but we need to develop more flexibility and more rapid learning. In the future we will need to be able to handle more decentralised organisations with more local freedom and self-operating, self-governing groups. To succeed we must build more on people's motivation. Sources of energy are about finding ways as a leader to create opportunities for employees to participate and gain acceptance. This means creating an organisational culture that strives instead of being steered toward common visions and goals. It means trying to make actual changes in behaviour patterns. The way to do this is to create effective learning processes where people realise, embrace and act according to new behaviour patterns.

The task of management is more and more about developing strategic awareness, initiating new competence and new commitment and supporting independent individuals who can act on new customer requirements and problems that arise in conjunction with changes. This also means we need to understand human behaviour on a deeper level and realise there are a number of values that we need to address in the new imbalances instigated by changes.

SHARED VISION, MISSION AND VALUE PLATFORM

We need a stable platform that can support the organisation when the winds of change begin to blow

if we are to prepare an organisation to stand strong in the face of future transition demands. A stable platform takes time to build and it is created by consistent and persistent value-based leadership. Leadership that regularly makes sure the organisation takes time to question its old and existing working methods in order to decide mutually and devise a preferred value platform, roles and ambitions. This means time for reflection and switching from a "do" time dimension to a "be" dimension.

By encouraging an active dialogue about the organisation's vision and mission, we create both a distinct direction but also a deeper meaning. The meaning that answers the question why applies to both the company's overall ambitions and the individual change. Understanding and acceptance grow strong from a broad, open and regular dialogue.

Stability requires that every individual also incorporates the company's vision and mission into their own personal vision and mission. This is one of the important building blocks in the individual's psychological contract with the organisation. Another significant block and source of energy is the individual's own clarity about his/her own value system. The individual value system is more important than the company's expressed value system when it comes to the individual's purpose and motivation for doing a good job. By stimulating active conversations and regular feedback concerning behaviour (to match the individual's personal value system with that of the organisation) we can bring about stability, credibility and trust, not only in the organisation but in others and in one's self. This creates strong "psy-

Need to enhance flexibility and learning.

Allow time to switch from "do" to "be".

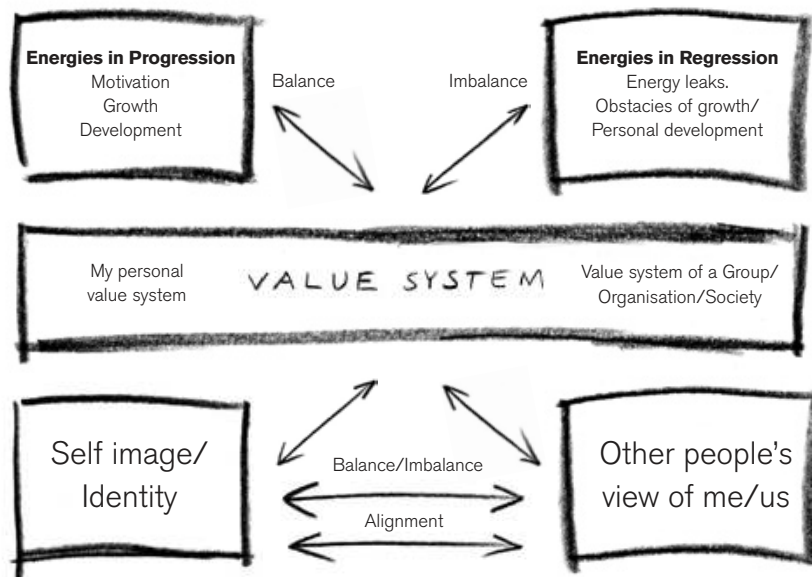
Help your employees to internalise your vision and mission.

Value based leadership is the foundation.

*Reinforce desired behaviour
with feedback.*

*Be attentive to fear and have the
courage to face it.*

chological contracts", which together provide a stable platform and energy to face the transitions.



Picture 15

You need to have a good balance between your own self image, your values system and others view on you.

Source: K Plank.

A strong foundation requires regular checks and maintenance. An important, and sometimes decisive tool in this context, is open, reinforcing, honest and frequent feedback. Reinforcing feedback gives the individual stronger self-esteem. A feedback culture not only accelerates the organisation's development and learning but also builds stronger collective self-esteem.

REDUCE FEAR AND FOSTER TRUST

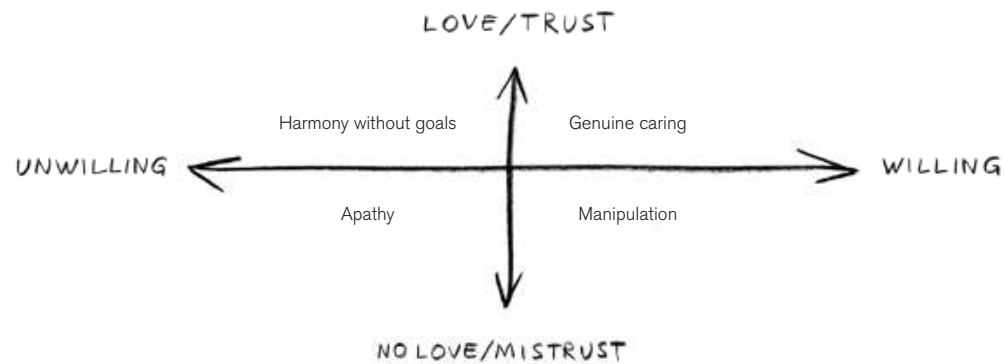
In brief, this is a question of reducing fear and fostering trust in the organisation. Fear and anxiety go

hand-in-hand with freedom and encountering the unknown. Fears can be about loss of identity (such

as survival anxiety and learning anxiety). Fear can also emerge in a culture where we blame others because we are afraid of losing face or accepting responsibility. It can also be a question of excessive control and excessive bureaucracy because we do not trust each other or that we keep information to ourselves and do not speak openly about what we see or feel. As leader you must be attentive to these signals and fears and have the courage to face your organisation with the ambition of driving out the causes of this behaviour. A crucial starting point on this journey is to consider whether you as leader are the

cause of the fear in those around you. This is why it is important to create a culture marked by active feedback and openness.

Trust stems from consistent, nurturing actions based on expressed ambitions and value platforms. The foremost source of energy is the participation and creativity of people in which self-chosen measures and commitment to mutual assignments are important. Dialogue results in unity and gives us the energy to work toward new goals and actions.



Picture 16

Manipulation is distinguished by a great deal of will and little love. You are prepared to do anything.

Apathy stems from little love and little willingness.

Harmony without goals often stems from an inability to say no and too little willingness.

Genuine caring is a combination of a great deal of willingness and a great deal of love.

Source: R May and P Moxnes

If we view leadership as a creative process in which every situation is unique, the result is contingent on continuous interaction between leader and employee as well as the external world. We are all co-creators of our culture and changes. The keys to this creation are in the meeting between people and the dialogue itself.

For trust to grow requires that you as leader are distinct and consistent with what you want while at the same time showing you care by actively and respectfully listening to your employees.

Understanding is something that people gain through experiences and reflecting on these experiences. This is why people's actions are governed

by their understanding of the system and routines in the context in which they belong. An altered understanding is not something that can be commanded or conveyed by using some refined technique. Every person creates their own understanding of reality.

Leaders can stimulate and influence this creation process. In a genuine dialogue, the leader is as vulnerable to influence as those the leader is seeking to influence since these dialogues require an approach and communication process that can reduce the leader's position of power. The paradox however is that the leader who can be vulnerable and has the courage to acknowledge insecurities and fears gains strength and impact.

We are all part of creating our culture.

Understanding stems from experiences and reflections.

*You must handle it all; What,
Why and How.*

*Be prepared to leave your
comfort zones.*

AND FINALLY...

Finally, a few words to those of you who want to build up a culture that can remain strong through future changes. In the transition process, managers are obliged to handle hard parameters such as factual issues that answer the question what will be done. Managers also need to handle soft parameters, what we call process issues, which answer the question how. In addition, they need to answer the question why – the value-creating and purpose-creating dimension.

Factual issues can be addressed with logic and rational thinking. Process issues need to be handled with emotional intelligence. The value-creating and purpose-creating dimensions require an understanding on a deeper level that deals with people's existential questions, such as Why? What is the purpose? How will this affect my life? When we move between these different dimensions we need to move courageously beyond our comfort and security zones. We are talking about spiritual intelligence.

It is important to work with what is visible and what is invisible. We also need to address the individual and the collective. We cannot just work with one of these four dimensions. We must develop and adapt simultaneously to the other three for the new culture we long for to evolve. See it as a prerequisite for an entire system transition with the human perspective in the middle.

The table below offers a few words to take with you as you embark on building a strong culture as a platform to stand on, better equipped next time the winds of change blow...

Good luck!

	Individual	Collective
Objective / Visible	Treat others as you want to be treated	Create a shared picture of the business vision, goal and mission
	Ask for feedback on your own behaviour and view it as a gift	Create understanding for the business and the desired business outcome
	Review, develop and maintain your support system	Create effective communication through open strategic dialogues
	Have the courage to ask for help	Create conditions for continuous learning
		Develop a leadership characterised by respect, trust, teamwork, and fair play
Subjective / Invisible	Reflect continuously on your own actions and leadership	Build your organisation identity
	Develop good self-image, self-esteem and self-confidence	Create a common value platform for an attractive and competitive culture
	Understand yourself and your own driving forces	Create openness and readiness for change
	Be clear in your own values	Create an open climate to deal with apprehension and fear
	Stay true to your needs, values and dreams	Understand that resistance is natural before you gain understanding

ISSUES FOR REFLECTION

1. Describe the most typical characteristics of your present culture.
How much fear exists? How much trust?
2. What are the most important changes that need to be made to bring about a stronger, more competitive culture?
3. Do you feel your organisation has a known, cemented and attractive vision conducive to meaning and direction?
4. What are your own personal visions, missions and values?



10 EXERCISES

Your ability to identify, initiate and create the dialogue that will help your employees transform their mindset, values and beliefs into new behaviour patterns is a critical factor for success. These patterns will help them to envision themselves physically and mentally in the change you are about to take on. This last chapter contains a few key exercises that we have found very helpful. The first key question for you to think about is "What dialogues do I need right now to help my employees to progress in their transformation?" Based on your answer, you may find some of these exercises helpful.

The idea is for you to work through these exercises by yourself with your organisation. Do not hesitate to ask for help or assistance from your human resource department or external consultants. This is especially important if you feel insecure or imbalanced yourself. Remember, asking for help is a sign of strength.

The exercises are presented on one page along with helpful slides or handouts. Previous chapters include suggestions on when it is best to use these exercises.

Exercises:

1. Your "Psychological Contract" – Is it strong or weak?	84
2. The Change Curve – Our present picture	86
3. Diagnostic Questions – How do your employees feel?	88
4. Support System – A self-assessment	89
5. Force Field Analysis – Resisting or driving forces?	92
6. Stakeholder Analysis – Create shared expectations	94
7. Balanced Action Plan – Both content and process	95
8. Team Reflection – Conditions for learning	97
9. Learning Levels – Where are we?	99
10. Future Dialogue – Preferred and Probable	101

EXERCISE 1

YOUR "PSYCHOLOGICAL CONTRACT" - IS IT STRONG OR WEAK?

Employees have a "formal contract" with the company they work for which stipulates conditions for employment, salary, etc. But employees also have a "psychological contract". It is called this because it is very seldom shared and it is visible neither to the employee nor the manager. This "psychological contract" states how much an employee can bring of herself/himself to work, such as her/his skills, personality, beliefs, values, etc. If the company's way of working and acting is in line with the employee's way of working and acting then you have a strong contract and the employee likes coming to work. The employee feels that she/he is in the right place for her/him, she/he feels needed and valuable. If not, you have a weak "psychological contract" with the individual who will neither "fight", "flee" nor "resign".

Purpose and objective

- To visualise our individual "psychological contract" and strengthen it if necessary. (It is up to the individual participants if they want to share their thoughts, although that is not the purpose of this exercise).
- At the end of this exercise you should know if your "psychological contract" with your company is strong or weak. You should also have personal ideas on what you would like to do to make it stronger.

Steps to take

1. Explain the purpose and objective of this exercise. Emphasise that it is an individual exercise and not something we will share with each other.
2. Hand out the worksheet "My Psychological Contract" to each individual. Ask them to read the instructions on their worksheet. Be prepared to answer any questions. To ensure everyone understands, explain what a "+", "-", "?" or a "x" in front of each word on the paper means.
3. Set a time frame for completing the exercise (approx. 5-10 min).
4. When reviewing or reflecting on the exercise inform the participants of the following: Research has shown that

- a. < 5 of "+", "-" or "?" is a strong, healthy contract
- b. 5-10 of "+", "-" or "?" is a warning signal.
- c. > 10 of "+", "-" or "?" is weak and you are most likely in a "fight" or "flight" mode.
- d. The words under the heading "Ethics, Moral, Leadership" are most important because they represent the fundamental base for each individual to feel motivation and sense of meaning. Pay extra attention to your scores here!

Issues for reflection: What does YOUR "psychological contract" tell you? Is there anything YOU would like to improve? If your answer is "yes" what actions would YOU like to take?

5. Give everyone a few minutes to reflect individually on these questions. Emphasise once again the purpose and objective of this exercise. Be available and ready to respond to questions or concerns from the group or in a private discussion. NB! There are no "right" answers!

Time needed

You will need 20-30 minutes, including the introduction, exercise and reflection.

EXERCISE 1

MY PSYCHOLOGICAL CONTRACT

Mark with a + if your needs are being satisfied at work.

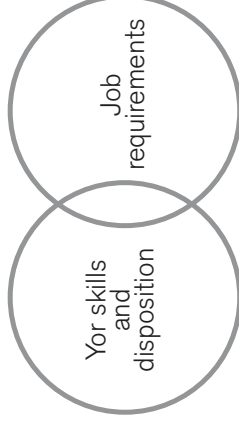
Mark with a - if your needs are not being satisfied at work.

Mark with a ? if you are uncertain.

Where do you stand?

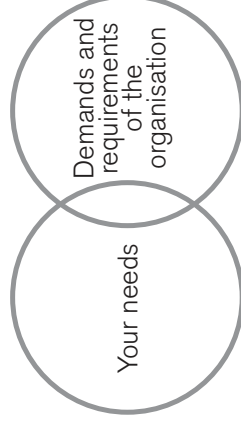
Knowledge, skills

- Personality
- Creativity
- Leadership style
- Performance
- Skills



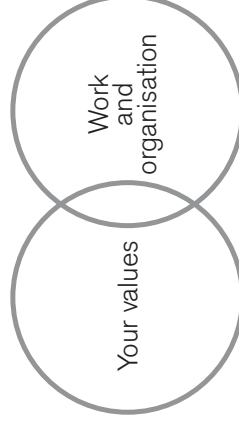
Involvement, enjoyment

- Rewards
- Relationships, feeling of belonging
- Responsibility
- Potential for development
- Potential to influence as an expert
- New challenges
- Freedom
- Fair treatment
- Authority
- Draw attention to performance
- Caring
- Handling conflicts



Ethics, morals, management philosophy

- Respect and dignity
- View of people
- View of the organisation
- View of co-determination
- Management philosophy
- Involvement in objectives
- Involvement in organisational changes
- Meaningfulness



What is right?
What is wrong?

NB! You don't have to share your results with anyone else, unless you want to!

EXERCISE 2

THE CHANGE CURVE - OUR PRESENT PICTURE

When people face change we share a similar pattern of reaction, which can be illustrated in what is known as the change curve, or even better, the transformation curve. It is very helpful if the team you are leading through a period of change has a mutual understanding and vocabulary to deal with their individual transformation. This exercise helps you and your team to create that shared picture and identify where you all are currently on this change curve. It is very effective to use this exercise on a regular basis throughout the entire period of change. This helps you and your employees to manage and deal with your own and each other's mental and emotional state and reactions. The greater the impact the change has on each individual's identity, the deeper and stronger the reactions. The way earlier changes have been handled also has a major impact on how each individual deals with the change.

Purpose and objective

- To create a mutual picture and understanding of the change curve and where we see ourselves at the moment. To enable us to see and agree on what actions are appropriate to aid our individual transformation.
- At the end of this exercise you should be able to see various types of reaction and behaviour in your group.

Steps to take

1. Present/review the present status of the change your team/organisation is facing and needs to deal with. Make room for and encourage questions and concerns.
2. Present and walk through the four phases on the change curve. Encourage questions and clarification. Tip: Hand out a text describing the four phases. If you feel uncomfortable and insecure when presenting the four phases, say so. But emphasise that you think it is very important to discuss the phases in order to be successful with the change.
3. Ask everyone to draw the change curve on a blank piece of paper and put an "x" where they feel that they are in relation to the change curve. This should be done individually.
4. Draw the change curve on the whiteboard or flipchart and invite everyone to come forward and put their "x" on it. Explain that this is voluntary.
5. Take time to reflect with your group on the picture you now have and ask yourselves: Issues for reflection: What does it tell us about our group? What must we think about during the next period in order to manage our transformation optimally?
6. Give everyone a few minutes to reflect individually on these questions. After a while, encourage the group to share in pairs what they have written. Close by sharing your reflections with the whole group. Write key comments and conclusions on the whiteboard or flipchart so that everyone can read them.
7. Discuss and agree on the actions that are needed.

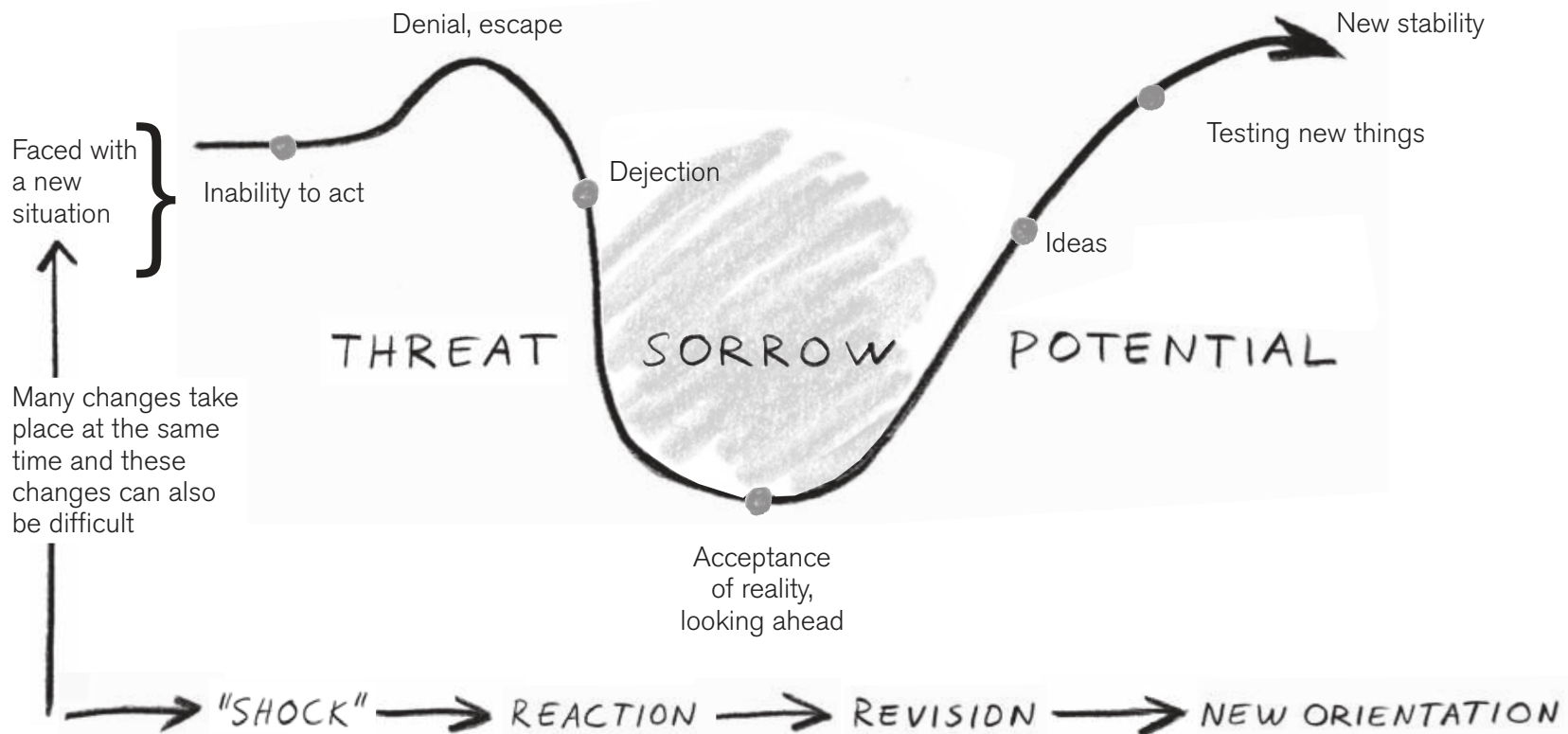
Time needed

You will need 20-30 minutes, including the introduction, exercise and reflection. Expect to need more time the first time you do this exercise with your group.

EXERCISE 2

THE CHANGE CURVE

Potential feelings and thoughts of people and groups undergoing change



Source: J Kullberg

EXERCISE 3

DIAGNOSTIC QUESTIONS - HOW DO YOUR EMPLOYEES FEEL?

We all react differently to change, but it is very common that we judge the expected reaction from others based on our own thoughts and feelings. For a better, updated picture of how your group feels and thinks at the moment we advise you start your meetings with these opening diagnostic questions throughout the entire change process. The diagnostic questions are:

1. **How are you feeling right now? How do think your colleagues feel?**
2. **If any, what are your major "energy leaks" today? What about your colleagues?**
3. **Which major issues do you want to discuss at this meeting?**

Purpose and objective

- To create a better and mutual understanding of the group's present concerns and feelings.
- At the end of this exercise you should be able to listen better and align your planned actions.

Steps to take

1. After completing the introduction phase of your meeting (e.g. Purpose, Objective and Agenda) you should explain the purpose of this exercise.
2. Write the questions on the whiteboard or flipchart.
3. Give everyone a few minutes to reflect individually on these questions and write down their answers on a piece of paper. After a while, encourage the group to share in pairs what they have written. Close by sharing your reflections with the whole group. Write key comments and conclusions on the whiteboard or flipchart so that everyone can read them.
4. Take time to really understand what is being said. Ask for clarification and paraphrase to ensure that both you and your group have understood what has been said.
5. If the response and reaction is very strong to these questions, you may need to reconsider your original agenda and spend the rest of the meeting trying to understand and listening to the group's concerns. Remember, you do not need an answer to all questions. If you are unable to answer, say so. It is also important that you show integrity and are consistent in your beliefs and messages. The key purpose of the meeting is to listen and show you care.
6. Conclude the session by reading aloud your conclusions from what has been discussed and when and how you intend to revert to the issues. Be open to comments and adjustments.

Time needed

You will need 20-30 minutes, including the introduction, exercise and reflection. The time will differ depending on how often you ask these diagnostic questions, the scope of the change, the level of trust in the group, etc.

EXERCISE 4

YOUR SUPPORT SYSTEM - A SELF-ASSESSMENT

We all need a strong support system, especially in times of change. But it takes time and focus to build and maintain a good support system based on mutual understanding and trust. This means you must always make sure you maintain your support system. Many of us are not aware of our support system and how important it is for our motivation and survival. This exercise could help both you and your group to see and understand your present support system, but also to identify areas for improvement. In times of changes in our daily situation we need different forms of support from people in order to get through the period of transition. Our support system should consist of someone who challenges us, provides new perspectives, encourages us, comforts us or simply spends time with us. No one person can assume all these different roles, which is why we need to look over our support system and identify who and what support each person can offer.

Purpose and objective

- To collectively review our individual support system and emphasise the need to constantly build and maintain a good support system.
- At the end of the exercise everyone should be able to examine their individual support system and identify their individual needs for improving their support system.

Steps to take

1. Introduce the purpose and objective of this exercise.
2. Explain the need for a strong support system and the different types of support you may need.
3. Hand out the assessment of "My Support System". Ask everyone to take some time to complete the assessment (approx. 15 min).
4. Give everyone a few minutes to reflect individually on these results and ask them to write down their conclusions on a piece of paper. After a while, encourage the group to break into pairs and share what they have written (this is voluntary). Close by sharing your reflections with the whole group. Write key comments and conclusions on the whiteboard or flipchart so that everyone can read them.
5. Ask everyone to review their support system and identify what forms of support they feel are most important for them at this time. Encourage them to list at least 2-3 names next to the most important items.
6. Conclude the session by encouraging everyone to define what they will do over the next month to improve their support system. Agree on when and how you intend to follow up and reflect on the group's progress.

Time needed

You will need 45 minutes, including the introduction, exercise and reflection.

EXERCISE 4

SUPPORT SYSTEM REVIEW

A satisfactory support system provides a security base, a sense of belonging and acceptance. It can also contribute to boosting our self-confidence, improving our skills and providing various tips on how to handle our own stress. It includes different types of relationships on different levels and satisfies particular needs. Support means different things to different people and the need for support changes as life changes.

Close friends are part of the support system. Other sources of support that we need from time to time are listed below. Think about what type of support (if any) you would like from each of these sources. Indicate the level on which you receive this support. Do not worry if you cannot fill in every section.

	Type	Who/what	Satisfaction		
			Low	Average	High
1	Close friends	_____	1	2	3 4 5
2	Family	_____	1	2	3 4 5
3	Specialists (doctors, consultants and so on)	_____	1	2	3 4 5
4	Helpers	_____	1	2	3 4 5
5	Reference groups, e.g. people of the same sex, same profession or who share the same hobby or are in the same sports team	_____	1	2	3 4 5
6	Challengers	_____	1	2	3 4 5
7	Admirers	_____	1	2	3 4 5
8	Prime movers (contact sources, people who arrange contacts)	_____	1	2	3 4 5
9	Energy movers (people I find exciting)	_____	1	2	3 4 5
10	People of a similar mind	_____	1	2	3 4 5
11	Financiers (people who control funding)	_____	1	2	3 4 5
12	Evaluators	_____	1	2	3 4 5
13	Mentors (models, teachers)	_____	1	2	3 4 5
14		_____	1	2	3 4 5
15		_____	1	2	3 4 5

EXERCISE 4

Support system review (cont)

COMPLETE THE FOLLOWING STATEMENTS:

- 16 The extent of my present support system is
- 17 The mix in my present support system is
- 18 I use my support system
- 19 The most important things to change in my support system are:

EXERCISE 5

FORCE FIELD ANALYSIS - RESISTING OR DRIVING FORCES?

In times of change there are always forces working for or against the change. A force field analysis is a helpful tool in identifying, analysing or reducing these forces. It is beneficial both as an individual or group exercise. Force field analysis is a visual way of mapping out the forces in any situation that keep the situation status quo. Its use leads to a clearer and more systematic appreciation of what is happening and shows how the situation can be changed.

The term "force field" comes from research done by social scientist Kurt Lewin. He observed that any social situation that appears stable is really in a state of dynamic tension between needs, aspirations, fears and other feelings of the people involved.

Purpose and objective

- Sets out the forces in any given situation in a diagram, showing the forces' direction, their strength and how they can be modified.
- At the end of the exercise everyone should be able to identify the key forces that work for us in striving towards the new, preferred status and the forces that work against us. Also outline what, how and who will do something about these identified forces.

Steps to take

The standard layout in a force field is shown on the next page.

Completing a force field analysis involves working through the steps below. You can do this individually or as a group.

1. Define the problem or challenge. Briefly describe the present condition ① and the desired condition ②.
2. Sort out the forces in terms of those that promote movement towards the desired condition ("driving" forces) and those who prevent movement towards the desired condition ("restraining" forces) ③.
3. It is helpful to group these under the following headings:
 - PERSONAL
 - inside me
 - INTERPERSONAL
 - between you and me
 - INTERGROUP
 - between groups
 - ORGANISATIONAL
 - inside the organisation
 - ENVIRONMENTAL
 - surrounding the organisation
4. Identify the two or three forces on each side that appear to be pushing hardest for change or resisting it most strongly. These are the forces that should receive most attention.
5. Discuss and agree on what, how and who will address the identified forces.

Time needed

You will need 30-60 minutes, including the introduction, exercise and reflection.

EXERCISE 5

FORCE FIELD ANALYSIS

PRESENT CONDITIONS

① Challenge/task:

Driving Forces

.....

.....

.....

.....

.....

.....

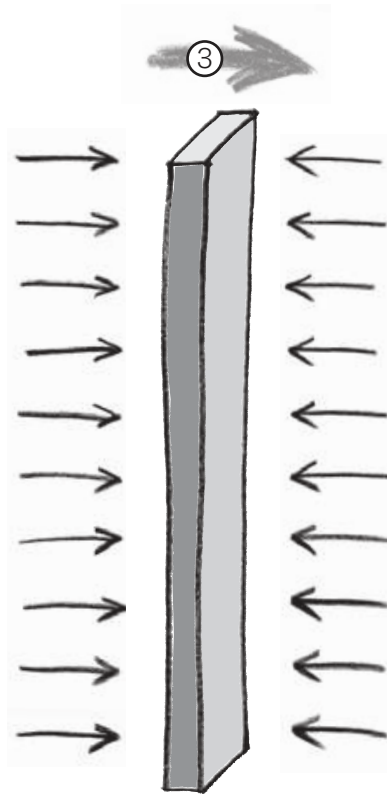
.....

.....

.....

.....

.....



DESIRED CONDITIONS

② Preferred position:

Restraining Forces

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

EXERCISE 6

STAKEHOLDER ANALYSIS - CREATE SHARED EXPECTATIONS

Since change is an external force, it also has its own pattern of stakeholders. To acquire a good picture of all the key stakeholders and their specific demands and expectations it may be wise to make a "stakeholder analysis". The change initiative is viewed from different perspectives and it is sometimes almost impossible to foresee all demands and expectations without involving the key stakeholders in a dialogue or discussion to gain a better picture of the present situation.

Purpose and objective

- To map, review, involve and define the requirements and expectations from the key stakeholders of your change initiative.
- At the end of the exercise everyone should have a clear and mutual view of your key stakeholders and their requirements and expectations.

Steps to take

1. Introduce the purpose and objective of this exercise.
2. Explain the need to identify your stakeholders and the requirements and expectations they have on you and your project or change initiative.
3. Use a blank piece of paper to map out your key stakeholders. Start by writing yourself or your challenge in the middle of the paper.
4. Identify every person or group of persons you think has an interest in your project or change initiative. Who are most important?
5. Use symbols such as "+", "-", or "?" to indicate if they are positive, negative or indifferent. How do they influence?
6. Define what requirements and expectations you have on them – and write what you think their demands are on you or the change initiative.
7. Make appointments with and meet all key stakeholders to check your relationship. Discuss mutual requirements and agreements. What are the consequences of this discussion?
8. Make your analysis – how should you handle the negative and positive forces? What will you do with conflicting requirements and expectations? Prepare your own action plan.

Time needed

You will need 45 minutes for preparation and first draft of the stakeholder analysis. After that it depends on how many stakeholders you will meet, estimate 15-30 minutes per stakeholder. Then you need about 60 minutes for analysis and planning.

EXERCISE 7

BALANCED ACTION PLAN - BOTH CONTENT AND PROCESS

This exercise is intended for the management team in charge of a change initiative. It is not the type of plan that you normally think of when you prepare your actions for the coming three months. In most cases we have a good understanding and experience of planning the more rational and tangible aspects of a change initiative, what we call the "content" issues or "above the surface" in the iceberg metaphor. The aim of this plan is to connect the daily operational events and the rational change activities (content) with the process-related issues (e.g. "below the surface"). The "process" issues are the intangible issues, such as how we should deal with human reactions, politics, resistance, fear, etc. It is our experience that this plan cannot be stretched more than 2-3 months and that it needs to be reviewed and updated constantly (weekly), especially during times of turbulent change.

Purpose and objective

- To identify, visualise and align the content with the process aspect of a change initiative into our overall plan. To serve as a base for a more detailed action plan which the management team can conduct follow-ups against.
- At the end of the exercise everyone in the management team should be able to communicate the overall picture of the implication of the change initiative linked to the daily operational activities.

Steps to take

1. Prior to your meeting ask everyone to read at least Chapters 3-6 and 8.
2. At the meeting, start by introducing the purpose and objective of this exercise.
3. Draw a horizontal time line along the middle of the entire white board. Write out the next three months in terms of weeks.
4. Hand out post-it notes and ask everyone to individually brainstorm about what they think and feel we need to consider in our Balanced Action Plan. NOTE: this should include both content and process issues.
5. Gather everyone at the whiteboard and ask them to read aloud each post-it note (one at a time) and place it on the whiteboard. Content issues above the timeline and process issues below. It is acceptable to ask for clarification, but not to question.
6. When all ideas are on the board, arrange them in chronological order against the timeline. Now is the time to question, add or remove.
7. Identify where in time you have critical moments. For instance, when many activities are scheduled for the same time, or events that may trigger human reactions which you need to address.
8. Put your plan into an action list.

Time needed

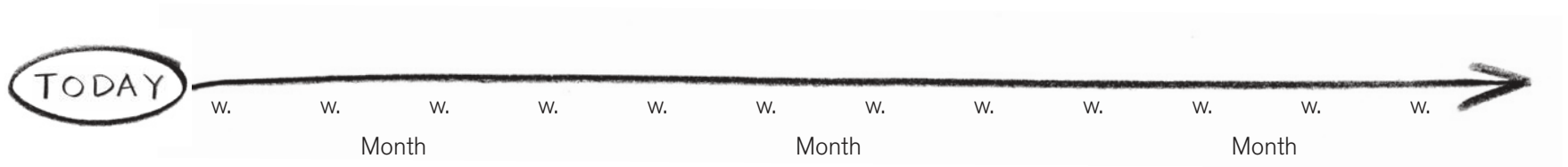
You will need 2-4 hours, including the introduction, exercise and reflection. The time depends on the scope and type of change and the number of people in the group doing the exercise.

EXERCISE 7

IMPORTANT ASPECTS IN OUR CHANGE PROCESS OVER THE NEXT THREE MONTHS

Tasks - Activities

Write what each team member sees as critical activities that will have an impact on the anticipated change and relate this to the timetable.



Personal/Process

Write what each team member sees as critical impacts the change will have on individuals with relations to the organisation and relate this to the timetable.

Source: T Eneroth and K Plank

EXERCISE 8

TEAM REFLECTION - CONDITIONS FOR LEARNING

We all have individual preferences on how we learn best. Some learn best when they plan what to do, some benefit most from doing, some learn best from reflecting on what has been done and some are at their best when they can connect and devise a mutual purpose. What we all have in common is that as adults we need time and space to debrief and reflect on what we have done in order to exchange our earlier beliefs and ingrained principles with new beliefs and values. Many times we feel that we have no time for reflection and learning. We realise, however, that team learning helps each individual to envision themselves in the change curve and enhance the group's ability and the time it takes to transform and learn. This exercise should be run on a regular basis throughout the entire change and transition initiative.

Purpose and objective

- To collectively enhance your team's ability to transform and learn as you move through the change curve.
- At the end of the exercise everyone should be able to learn from what is happening here and now. Move beyond their own safety zones and challenge and make real value shifts.

Steps to take

1. Introduce the purpose and objective of this exercise.
2. If it is the first, second or third time; explain the four dimensions of the Team Learning Wheel. Emphasise that we all have different learning preferences, which means that we contribute better and more in some parts of the wheel.
3. Emphasise the difference between discussion and dialogue. Discussion is based on right and wrong statements whereas dialogue is based on the belief that there is no right and wrong. Good reflection is based on dialogue and fearless statements about what each team member has experienced in terms of feelings, thoughts and learning.
4. Write on a flipchart what you want the group to reflect on. Encourage clarification and adjustments to what you have written. Try to be specific in time and scope.
5. Ask everyone to start individually for 5-7 minutes and write down their own feelings, thoughts and learning. Invite them to start sharing. Encourage and recognise everyone who is sharing, especially in the beginning and during the first reflections, in order to diminish fear and build trust in the process.
6. Continue until you feel there is no energy left in the group. Don't be afraid to work with silence. This means it is fine to sit quietly for a few minutes without anyone saying anything, just thinking, feeling and connecting.

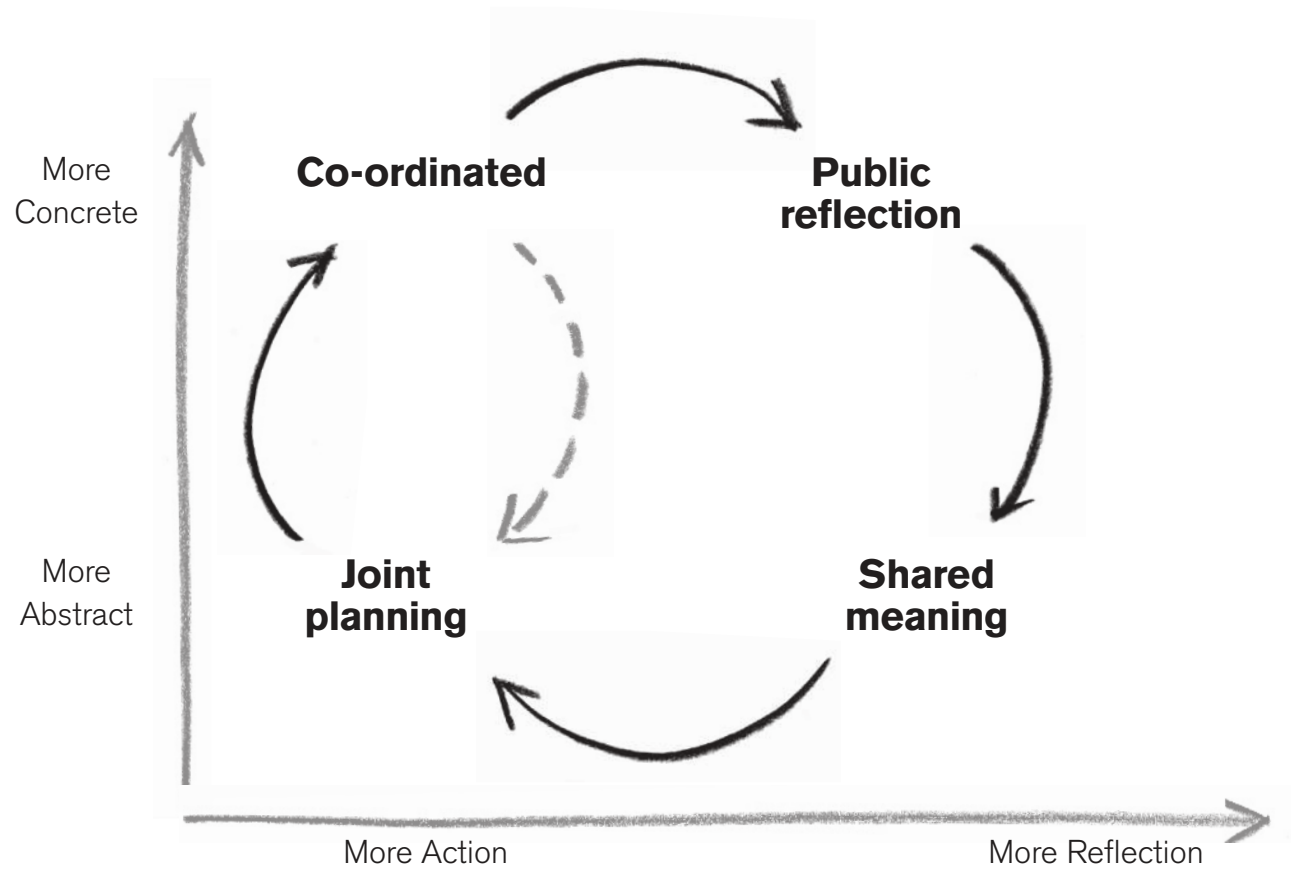
Time needed

This varies considerably. Sometimes a short 10-minute reflection gives a lot, while in other cases an entire day or two will be insufficient.

The most important thing here is to create a language and a way of working with your team to achieve team reflection. The team will need time and repetition to include in their shared culture how they learn together. Time allocation must come from you as a leader – you need to prioritise and give them the go-ahead to use time for reflection.

EXERCISE 8

THE TEAM LEARNING WHEEL



Source: *Fifth Discipline - Field book*

EXERCISE 9

LEARNING LEVELS - WHERE ARE WE?

The degree of learning in an organisation can be categorised into four different levels. There is little or no level of learning in an organisation characterised by low relationship quality, fear, limited exchange of experiences and defensive behaviour. The first level of learning begins when we build more distinct structures into the organisation, such as formal relationships, work process and plans. The next level evolves when we permit curiosity and openness and decentralise the decision-making process. Level three is distinguished by everyone sharing an understanding of the mutual vision and that everyone fearlessly builds and improves themselves and the organisation. People adapt most quickly to changes on the highest level of learning.

Purpose and objective

- To identify your team's ability to learn together.
- At the end of the exercise you should be able to express what you and your team need to do in order to increase your ability to learn.

Steps to take

1. Introduce the purpose and objective of this exercise.
2. Demonstrate and explain the four learning levels for your team.
3. Ask everyone to judge individually where they feel your team is today with 1-2 statements explaining their judgment. It is also fine to share your views with your colleagues after a few minutes of individual reflection.
4. In dialogue, share everyone's views with the whole team. Write key conclusions on the whiteboard.
5. Reflect on your joint results. What are our strengths today? What do we need to do differently?
What do we need to add or remove?
6. Agree on 2-3 actions to pursue as a result of this reflection.

Time needed

You will need 10-30 minutes, including the introduction, exercise and reflection.

EXERCISE 9

WHAT IS THE LEARNING LEVEL IN YOUR ORGANISATION?

Learning level 0

- Low relationship quality
- Fear of change
- Poor exchange of experience
- Defensive behaviour



Learning level 1

- Formal relations
- The change process takes place within a strict framework
- Analytical, logical thinking
- Detailed planning



Learning level 2

- Individuals and groups are allowed to develop
- Trust/openness
- Decentralised activities, propensity to act
- Dealing with conflicts as they arise
- Leads to creation of projects



Learning level 3

- Common visions
- Creating one's own future
- High relationship quality (= functioning like a family)
- Ability to learn from everything

Source: Gregory Bateson

EXERCISE 10

FUTURE DIALOGUE - DESIRED AND PROBABLE

During periods of change it is very important that we allow ourselves time talk about our individual ideas for the future. Not only for the simple reason of having a common vision statement on paper, but also for the sake of sharing and discussing our views of the future. This is how we create an arena for our employees to align their own present pictures with the future desired state through dialogue. In this process we can start to see "what's in it for me" and if and how our personal visions fit into the vision of the change.

Purpose and objective

- Through dialogue understand how my colleagues and I view the future.
- At the end of the exercise we have shared, compared and defined what is probable and what is not, as well as what we feel is desired and what is not desired.

Steps to take

1. Introduce the purpose and objective of this exercise.
2. Explain how important it is for us all to have the chance to express and discuss our individual views of the future.
3. Divide your team into groups of 4-6 people. Aim for a good mix in the group.
4. Hand out the instruction page "Our images of the future". Ask everyone to read through the instructions and whether they have any questions or concerns before we start.
5. Follow the instructions.
6. Conclude the session with a short reflection on what they feel and think about your exercise.

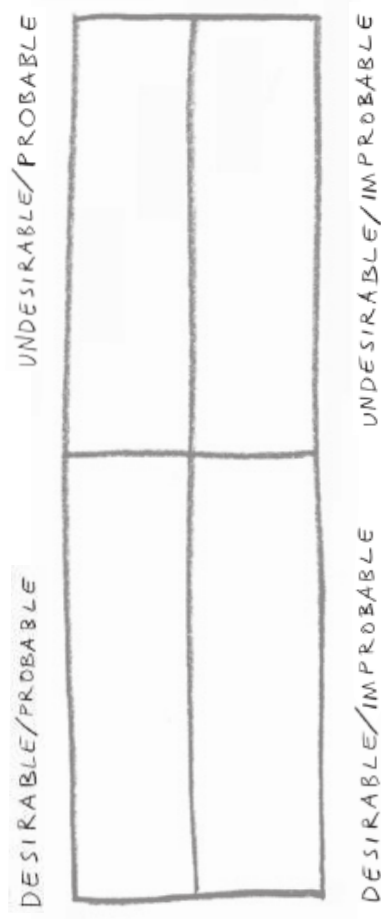
Time needed

You will need 3-4 hours, including the introduction, exercise and reflection.

EXERCISE 10

OUR IMAGES OF THE FUTURE

1. Write down five statements about the development of the organisation over a period of approximately five years. These statements will form part of your image of the future. They can contain both positive and negative images of people, technology, the economy, developments within society, trends in research or development at the company. The statements can be a declaration of what you want to happen or what you believe or hope will happen over the next five years. Use the needs of the people and the organisation as a starting point. The statements can also reflect fears and threats that you believe will materialise. Write down each statement on a small, separate piece of paper.
2. When you assemble for group work, place all the statements in a pile on the table and mix them up. One piece of paper should then be drawn from the pile, read aloud and discussed.
3. Each statement should be discussed and tested in depth using the dimensions given below. The first dimension to discuss is whether the statement is **DESIRABLE** or **UNDESIRABLE**. Try to agree on this in the discussion. You should then try to establish a position regarding whether you believe that the statement is **PROBABLE** or **IMPROBABLE**. Even here you should try to reach some form of consensus.
4. As a result of the discussion and an examination of the statement it should be possible to place the statement on a table, the corners of which are marked as follows:
5. When all the statements/pieces of paper have been discussed and placed, examine the implica-



- tions of these future images for operational development and the work within the organisation. Which issues should be made a priority?
6. What are the implications for your role and/or for your leadership?
 7. What do you consider to be the most important issues for the company's management team to prioritise in the future?

LITERATURE AND REFERENCE

LITERATURE AND REFERENCE

<i>Author</i>	<i>Title</i>	<i>Publisher</i>
Adizez, I.	Ledarskapets fallgropar	Liber
Antonovsky, A.	Hälsans mysterium	Natur och Kultur
Argyris, C.	Overcoming organizational defenses	Allyn & Bacon
Assagioli, R.	The act of will	The Psychosynthesis & Education Trust
Barret, R.	Liberating the corporate soul	Butterworth-Heinemann Ltd
Bass, B.M.	Handbook of leadership	Free Press
Bateson, G.	Steps to an ecology of mind	Ballantine Books
Beckard & Harris	Organisational transitions Understanding complex change	Addison Wesley
Bennis, W. & Nanus, B.	Leaders	Harper & Collins
Bion, W.	Experiences in groups and other papers	Tavistock papers
Block, P.	Stewardship	Bereth, Kohler
Collins, J.	Good to great	Random House Business Books
Cullberg, J.	Kris och utveckling	Natur & Kultur
Druckner, P.	Managing in turbulent times	PanBusiness Management
Freud, S.	Group psychology and the analysis of the ego	Norton & Co
Fromm, E.	The forgotten language	Atlantic Books
Goleman, D.	Emotional intelligence	Bloomsbury Publishing PLC
	Working with emotional intelligence	Bloomsbury Publishing PLC
Haines, S.	The systems thinking approach to planning and management	CRC Press
Handy, Ch.	Paradoxernas tid	Brin books

Author	Title	Publisher
Hillman, J.	Själens kod	Natur och kultur
Kets de Vries, M.	The leadership mystique	Finacial Times Prentice Hall
Kotter, J.	Leading change	Harvard Business School Press
Levinson, H.	Emotional health	Harper & Row
Leigh, A.	Effective change	IPM
Maslow, A.H.	Personality and motivation	Harper & Row
Maccoby, M.	Leadership works	Harvard int. review
Moss-Kanter, R.	The change masters	CW Winn
O'Toole, J.	Leading change	Jossey-Bass
Rogers, C.	On becoming a person	Houghton Mifflin
Scheen, E.	Process consultation	Addison Wesley
	Organisational culture	Addison Wesley
Schein, E.H.	Career dynamics: matching individual and organizational needs	Addison Wesley
Scott, C. & Jaffe, D.	Managing organizational change	Crisp Publications
Senge, P.	Den 5:e disciplinen	Nerenius & Santerius
Senge, P.	The fifth discipline fieldbook	Currency & Doubleday
Senge, P.	The dance of change	Nicholas Brealy
Sjöstrand, SE.	The two faces of management	Thomson Learning
Wiberg, L.	Teori 3	Nerenius & Santérus
Wilber, K.	En kortfattad historia om allting	Caduceus
Zaleznik, A.	The managerial mystique	Beard Books

LITERATURE AND REFERENCE

THANK YOU!

We would like to express our deepest appreciation and thanks to all the clients who have invited us to work with them in their change processes over the years. This book could never have been written without our experiences with them.

We would also like to dedicate our heartiest thanks to all the friends and colleagues who have supported us and given us good advice and feedback in the process of writing this book. We would especially like to thank:

Jouko Arvonon, *Arvonon International*

Per-Anders Hedegren, *OD Partner*

Berth Jönsson, *SIFO-RI*

Per Randgaard, *Management Improvement*

Jessica Lipnack, *NetAge*

Lars Wemme, *Volvo IT*

Lars Gustavsson, *Volvo IT*

Nona Bunea, *Volvo IT*

Ann Elmeland-Ygge, *Volvo IT*

Last, but not least, we would like to express an extra special thank you to Katarina, Ulla Plank and Gunnel Eneroth for their dedicated support and honest feedback, which made this book what it is.

