Organizational Culture and Change Management

Organizational change is *a systemic response in reaction to, or anticipation of, a new set of internal and/or external factors.* To stay relevant and always ready to deliver on the mission, organizations need to be willing to handle the difficulty and uncertainty that come along with change. This will help ensure exciting opportunities and innovations do not pass by.

Researchers from the Harvard Business Review found that approximately **70% of change efforts fail**, even when the solution being implemented seems like the correct one. Common human responses correlate to the failure of even great solutions to produce great results:

- Lack of **awareness** there is a problem
- Lack of **concern** there is an issue that warrants action
- Lack of **buy-in** on proposed solutions
- **Resistance** to change
- **Confusion** and **fear**

The Role of Culture in Change Management

Any change effort begins with the recognition that the current state is undesirable and necessitates identifying a path forward. The ability of a team to understand, embrace, implement, and embed change has an outsized impact on the probability of success.

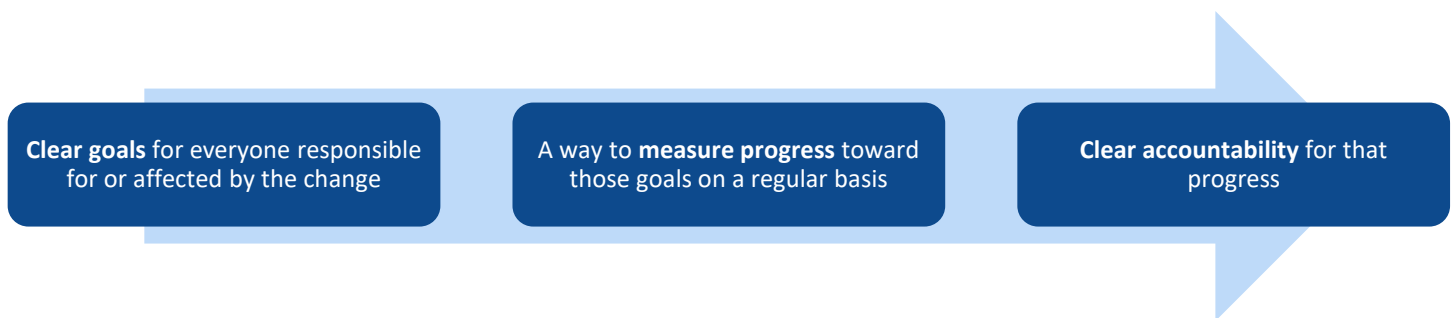*This formula illustrates the relationship:*

The Right Solution

Getting to the best solution involves building a solid strategy:

Good Execution

Requirements for outstanding execution of any new strategy include:

Clear goals for everyone responsible for or affected by the change	A way to **measure progress** toward those goals on a regular basis	**Clear accountability** for that progress

Closely linking decisions with organizational priorities and **connecting execution goals to individual performance expectations is critical**.

Adaptive Culture

Centering an adaptive organizational culture where change is both a habit and a motivator leads to success in constantly shifting circumstances and can mitigate "change fatigue". Types of Responses:

- **Technical Responses**: The solution can be provided by an authority figure, by an outside expert, or by implementing a new tool or process
- **Adaptive Responses**: Actions in which people must change the way they think about their roles and their approach to work

Many organizations underestimate how often **a situation that seems to be technical in nature may require an adaptive response**. For example, while many technical solutions can be addressed by providing training and documentation on the new tool, structure, or process, an *unwillingness* to learn or execute on the part of an employee might indicate an adaptive challenge.

Adaptive culture leads to success in constantly changing circumstances and can mitigate "change fatigue". An adaptive culture is a way of operating where change is both a habit and a motivator:

- People expect and welcome change
- Change efforts include all perspectives, with equity at the forefront
- Change leaders understand, surface, and redirect natural human tendencies that hinder change
- Change leaders mobilize staff to surface, examine, and perhaps abandon deeply held beliefs and practices
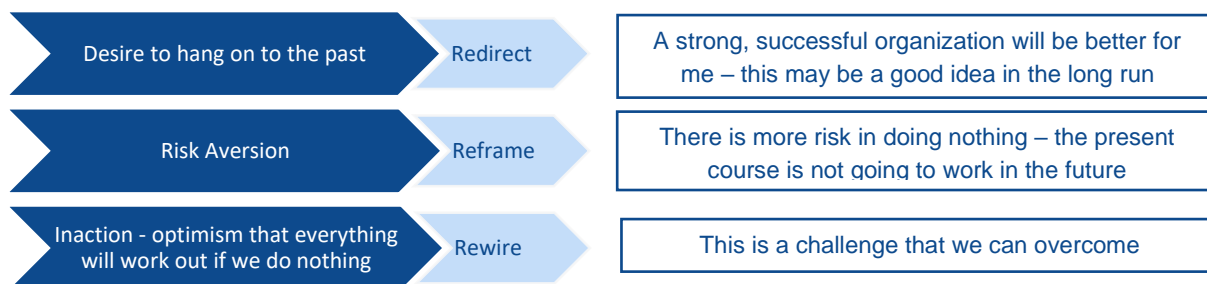
Centering **organizational culture** in an adaptive response will enhance the likelihood of success. In fact, as the earlier equation suggests, effective change management requires building and/or leveraging adaptive culture throughout the process of finding and implementing the right solution.

Understanding Resistance

Redirect / Reframe / Rewire

An adaptive culture surfaces, addresses, and redirects the common human tendencies of self-interest, risk aversion, and a biased toward optimism that often hinders change. According to research by McKinsey & Company, people naturally approach strategic opportunities and challenges with a combination of self-interest, risk aversion, and a biased toward optimism. A highly adapted culture will redirect, refrain, and rewire these tendencies toward progress.

The following are common resistance reactions, tips on how to counter them, and statements that illustrate an adaptive response.

Desire to hang on to the past	Redirect	A strong, successful organization will be better for me – this may be a good idea in the long run
Risk Aversion	Reframe	There is more risk in doing nothing – the present course is not going to work in the future
Inaction - optimism that everything will work out if we do nothing	Rewire	This is a challenge that we can overcome

The 20-60-20 Rule

For any major opportunity or challenge, people tend to fall roughly into three categories:

- Twenty percent are **early adopters**. They already knew this change was needed.

- Sixty percent are **cautious accepters**. They will move forward if it feels safe and are convinced leadership is serious about it.

- Twenty percent may be **active resisters**. They are against the proposed change and will try to impede implementation efforts.

Leaders often spend most of their energy responding to the active resisters. While they can help reveal any fatal flaw in the emerging solution, **once you are ready to decide, shift your focus and energy to the early adopters**. Engage them in visible roles in the change process and recognize them within the organization. The cautious acceptors will be motivated to come along and, eventually, the active resistors will either get on board or leave the organization (voluntarily or otherwise).

Engagement Is Critical in Change Efforts

Front-end input is not the same as engagement and power-sharing. **The core of deep engagement is inclusion, which motivates people to co-create the solution.** When people feel excluded, they may ignore the situation or criticize proposed solutions offered by others.

- Share information to help your team recognize there is a problem that needs attention

- Engage with the team authentically

- Give careful thought to *how* diverse perspectives are included in the process

- Err on the side of overcommunicating

- Manage change at all levels of the organization (board, management, front-line staff, association members, volunteers, current or past program participants, and other stakeholders)

Change and Transition Models

Lewin and Kotter: Change Management

Several researchers have developed models for change management. Kurt Lewin described the phases of change management as first Unfreezing the current way, then making a Change, and finally Refreezing the new way of doing things. John Kotter developed a complementary model which includes eight stages observed in successful organizational transformations.

Bridges: Transition Management

It can be helpful to distinguish between *organizational change* and *individual transitions* — and to plan for both. William Bridges defined change as an external event or situation that is generally in response to external events. **Transition is the inner psychological process of coming to terms with a new situation.** Bridges' stages of transition include Endings, a Neutral Zone, and New Beginnings.

Endings

People identify what they are losing and what they will keep, including relationships, processes, status, team members, locations, etc. They may experience a range of negative emotions, including fear, denial, anger, uncertainty, sadness, and loss.

Neutral Zone

The old is gone but the new is not yet fully in place; people are caught between the old and new reality/identity. In this stage, realignment and pattern changes take place as people learn their new roles. There is often confusion, skepticism, resentment, discomfort, and low morale and productivity; there may be a tendency to want to revert and frustration that there is nothing to revert to. This can also be a period of creativity and innovation for those ready to look forward.

Consider the analogy of someone jumping across a chasm. The Neutral Zone is like being midair with uncertainty about sticking the landing but no ability to turn back. The more that change leaders can support those affected by change through the Neutral Zone, the more successful the change effort will be. This support includes ongoing communication and understanding of people's fears and concerns, reinforcement of why the change is needed, and support for struggling individuals to understand how they can positively contribute and the importance of their roles.

New Beginnings

There are now new understandings, values, attitudes, roles, and identities. People begin to feel reoriented and have renewed energy. People are open to learning and committed to their new role.
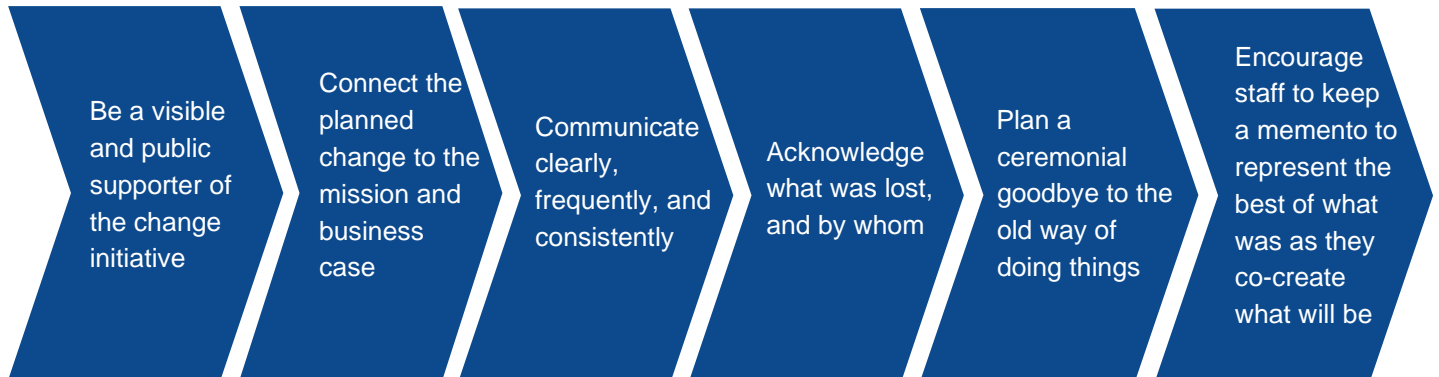
Combined Framework for Change and Transition

Without proper planning and support, significant change can put people in a crisis state of mind. Thus, change leaders must support people through transition rather than pushing forward stubbornly. The Lewin, Kotter, and Bridges frameworks can be combined to guide planning and support for organizational change and the resulting individual transitions.

Combined Change and Transition Management Framework

Unfreeze / Endings	Change / Neutral Zone	Refreeze / New Beginnings
Change Management		
1. Create a sense of urgency *Clarify why the current state is no longer desirable*	5. Remove obstacles *Empower others to act; change systems or structures; provide training; encourage and support risk-taking and creativity*	8. Anchor the change *Make clear the connections between the new behaviors and organizational success*
2. Form a powerful coalition *Assemble a group with the perspectives and ability to lead the change effort*	6. Create short-term wins *Create visible performance improvements; recognize and reward those embracing the change*	
3. Create a vision for change *Create a compelling path forward*	7. Build on the change *Continue to change systems and structures; hire, promote, and develop staff who can implement the vision*	
4. Communicate the vision *Use every vehicle possible to share the vision; engage the coalition in demonstrating new behaviors*		
Transition Management		
Listen empathetically Communicate openly about the change Make clear how each person can apply their experience and skills in the new environment and how they'll be supported Paint a positive picture of the change and allow time for them to accept it and say goodbye to the past	Acknowledge that it is normal to feel unsettled Remind the team of the goals, benefits, and available supports Set clear, short-term goals and give regular feedback Adjust workload as needed to allow for sufficient focus on executing the change Celebrate wins	Sustain positive energy Maintain clear and regular communications Link individual performance to organizational objectives Highlight stories of success that came about because of the change Celebrate wins and reward the team for their effort

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Strategies for Leading Change

John Kotter suggests six strategies to lead teams through change and minimize the discomfort of the transition Neutral Zone.

Be a visible and public supporter of the change initiative	Connect the planned change to the mission and business case	Communicate clearly, frequently, and consistently	Acknowledge what was lost, and by whom	Plan a ceremonial goodbye to the old way of doing things	Encourage staff to keep a memento to represent the best of what was as they co-create what will be

The Manager's Role in Leading Through Change

Often, managers are caught in the middle of change efforts. They may not have been the decision makers but are seen as the face of the change by their staff. However, they are critical to effective change management. Change leaders should engage managers early and often and establish a two-way communication that allows managers to feed questions and realities to the project team and provide important project updates and context to their own teams.

Successful change efforts support managers in:

- Championing the change
- Acting as the conduit between senior leadership and staff
- Managing or influencing up so senior leaders can adjust appropriately to staff realities
- Managing uncertainty for others
- Creating an adaptive culture

Appendix A: Activities to Guide and Support Teams Through Change

Building Awareness of the Need for Change

Answer the following prompts with groups of impacted staff. This should be a process of discovery where participants wrestle with the questions individually and/or in groups.

- What is the problem?

- Why does this problem exist?

- How does this problem impact our work?

- What would happen if we just ignored it?

- Who inside our organization is impacted by the problem?

- Which clients, members, or communities are impacted by the problem?

Change Readiness Quick Assessment

These questions can help determine where a team is in terms of readiness and alignment around change.

- Are we all in agreement that the current situation must be changed? (Why or why not? What happens if we don't change?)

- Are we all in agreement about the specific change we hope to implement and the outcome we need to obtain? (Articulate them)

- Do the people who will be most closely affected by this change support it?

- Are we able to commit the time, money, and attention this effort requires?

- Is there an executive sponsor committed to this change?

Answering "yes" to all five of these questions indicates a high degree of readiness. Anything less than five affirmative answers raises questions about clarity or commitment, suggesting more work should be done before initiating the change effort.

Sometimes it is useful to repeat this exercise with different work groups that might be affected by the proposed change. For example, the executive team might answer "yes" to questions about a change impacting the human resource function, but HR team might have several "no" responses.

Storytelling to Establish a Shared Vision

Think about your organization's history as a story. What has happened? What is going to happen? Where does the story take a twist? Engage people in an exercise to craft a narrative about the organization together. Have participants take ten minutes on their own to list Chapter Titles for notable periods and achievements that have occurred in the organization. Come together as a group to share what people have come up with, then ask and collectively discuss, "What do we want our next chapter to be?" Build upon major past chapters to craft a joint narrative for the future.

Impact Analysis

The following prompts help identify staff who will be impacted by a proposed change. With this information, leaders can understand ways in which staff will be impacted and begin to determine what kind of assistance and support they may need to navigate the change and the transition.

For each proposed change:

- Who will be impacted?

- How?

- What would help support them through this change?

Communications Plan

The prompts below can be formatted into a table as an easy to manage communications plan, helping to proactively keep people informed, anticipate challenges, and create opportunities for dialogue.

- Time period (e.g., "week of…")

- Content: Progress & Next steps (clear, concise, bullet form)

- Purpose (Informational or a request for action?)

- Messenger

- Deadline

- Method(s) of communication (1:1, email, staff meeting, newsletter, department meeting, etc.)

Bridging Past and Present

Traditions bring people together. Draw from individuals' past experiences to offer ideas and inspiration to form new traditions by discussing what you want your culture to look like moving forward.

- What recurring events or activities from the past do you appreciate the most?

- How can you carry this tradition forward to work for your new context?

- What traditions can we start together?

Idea Funeral

With an organizational culture that encourages risk and innovation, not all ideas that are tried will or should survive. Institute the practice of holding an "ideas funeral" on a regular basis to honor and officially sunset/shut down ideas that aren't working or don't make strategic sense. Honor the spirit of the idea, ask staff involved to pull out what worked well and what didn't, and determine aspects of the effort that should "live on" in other initiatives.

Focused Complaining

Implementing change is hard work and you don't need to put a positive spin on everything. Set aside ten minutes at the beginning of a meeting and encourage everyone to complain. Start it yourself if you need to –

encourage it, welcome it, celebrate it. Make it clear at the outset that once this period is over you are going to move on to the business at hand.

Managing Difficult Conversations

The following steps are adapted from the Crucial Confrontations framework (Kerry Patterson, Joseph, Grenny, and Ron McMillan).

1. Prepare: Determine why a dialogue is needed, anticipate their reactions, create space to talk
2. Describe the problem as you see it
3. Describe how the problem impacts the experiences or perceptions of you or others
4. Invite the other's perspective; listen quietly without arguing, justifying, or defending yourself
5. Seek mutual agreement on the problem
6. Collaboratively brainstorm solutions
7. Mutually agree on a solution
8. Clarify who will do what by when as well as how and when you'll check in on progress

Five Dysfunctions of a Team

Teams have *shared* goals for success, in contrast to collections of individuals. A measure of a team is whether it accomplishes the results it set out to achieve. Most teams struggle to achieve their potential. Patrick Lencioni found that teams begin to deteriorate if even a single dysfunction was allowed to flourish.

Dysfunction	Impact	Leader's Role	Cohesive Teams
Absence of Trust	The fear of being vulnerable with team members prevents the building of trust within the team	Model vulnerability first so others see it is safe to be human	Trust one another enough to be vulnerable
Fear of Conflict	The desire to preserve artificial harmony stifles productive ideological conflict	Demand debate on issues and mine for conflict	Engage in unfiltered conflict around ideas
Lack of Commitment	The lack of clarity or buy-in prevents team members from making decisions and sticking to them	Ensure clarity and closure for all decisions	Commit to decisions and plans of action
Avoidance of Accountability	The need to avoid interpersonal discomfort prevents team members from holding one another accountable	Confront difficult issues	Hold one another accountable for delivering against their plans
Inattention to Results	The pursuit of individual goals or personal status erodes the focus on collective success	Focus on collective outcomes	Focus on the achievement of collective results