

## ORGANIZATIONAL EXCELLENCE—PART THREE

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*The more things change, the more they need to be managed.*

*This month's column is the third installment in a five-part series on organizational excellence, which is made up of five elements. The first two, discussed in previous issues, are process management and project management.*

Change, change, change—we're all for change. We want to see him, her and them change. We want to see our organizations change. Yes, we're all for change—as long as we don't have to do the changing. But it's a fact of life: We're all changing every day, and so is our environment, our culture and the way we work.

In his book, *The Employee Handbook for Organizational Change* (Pritchett Publishing, 1990), Price Pritchett states: "It is pretty obvious to people that the stress of a rapidly changing organization can be difficult and unpleasant. What's not so clear to us sometimes is how much trouble we're in for if the organization fails to change."

Handling change is a big problem for most organizations. Through 2005, 40 percent of global enterprises will wrestle with change initiative portfolios that exceed those companies' capacities for change, which will result in failure rates in excess of 60 percent (a 0.7 probability). Through 2005, 75 percent of enterprises contemplating widespread change will fail to adequately consider their organizational abilities and willingness to adapt, ignoring the root cause behind the more than 60 percent of initiative failures (a 0.8 probability).

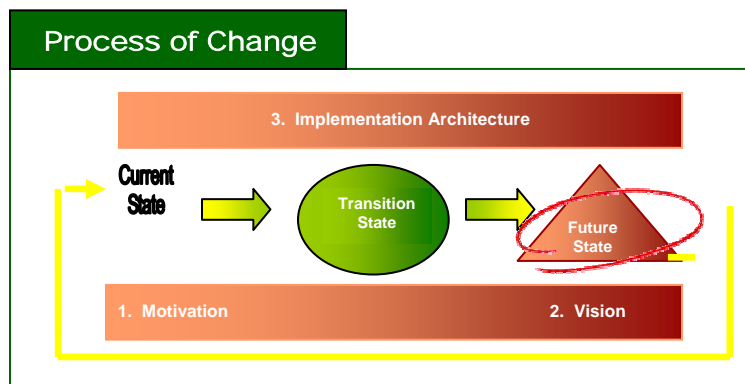
"Research confirms that as much as 60 percent of change initiatives and other projects fail as a direct result of a fundamental inability to manage their social implications," confirms the Gartner Group. "This lack of understanding typically manifests in dysfunctional behaviors that, taken to an extreme, cause a downward spiral in organizational vitality and competitiveness—a spiral that organizations can't escape because they don't understand the causes."

Most human beings are extremely control-oriented. We feel most comfortable when our environment is stable and predictable and when our expectations are met. In fact, one definition of the term "status quo" is just that: meeting expectations. We might not like the environment we're in, but we know it, understand it and have adjusted to it. Change occurs when this balance shifts and expectations are disrupted. Thus, "change" can be defined as a disruption in expectations. When this happens, the four C's are triggered:

- *Competence.* You question whether you'll be competent to exist in the changed environment.
- *Comfort.* You no longer feel comfortable because you don't understand what's going to happen to you.
- *Confidence.* You lose confidence because someone else is defining what's going to happen to you.
- *Control.* You've lost control of the situation.

A methodology known as change management is used to minimize the disruption change has on an organization. It's a comprehensive set of structured procedures for the decision making, planning, execution and evaluation phases of the change process. It should be used whenever an organization undertakes a major project.

Think of change as a true process, just like any of those that occur within the organization. It's the process of moving from the present state, through a transitional period, and into a future desired state.



Pain management is one of the tools used in change management, and it applies to the change process. An individual isn't going to move out of the present state unless, from his or her standpoint, there's likely to be more pain associated with remaining in the present state than what he or she will experience during the transitional period or that will remain during the future state.

When helping employees make the decision to accept change, it's important to describe the future desired state. This must address questions like, "What will the business processes look like?" and "What are the technology, process and people enablers?" People must also have answers to the following questions:

- Why is this change necessary?
- What's in it for me?
- Why is it important to my organization?
- What are the disadvantages of the change?

Eight risk factors must be managed during any major change initiative. They are:

- Defining the cost of the status quo
- Developing a clear vision
- Obtaining sponsored commitment
- Developing change agents and change advocacy skills
- Understanding targeted responses
- Aligning change with the organization's culture

- Anticipating internal and external organizational events
- Developing a sound implementation architecture

The Gartner Group estimates that inexperience, overextension or under-committed executive sponsorship will account for 50 percent of enterprise change-initiative failures. They further state that 75 percent of change leaders will employ one or more levers to help drive change without possessing even a rudimentary understanding of the implications, which will directly cause destructive organizational behaviors.

Change management methodology includes close to 50 unique tools, among which are:

- Cultural assessment
- Landscape surveys
- Change agent evaluation
- Change history surveys
- Change resistance scale
- Overload index
- Predicting the impact of change
- Role map application
- Knowing when to apply implementation architecture

Daryl R. Conner, author, lecturer and leading authority on organizational change, states: "It is inadequate to manage just project cost, schedule and quality. Without managing the project's social impact, most projects will fail to reach their full potential."

And so will you.

#### **About the author**

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