on, the changes must still be supported by employees. Building in this new climate of change involves telling success stories, ensuring new hires are made aware of the change ideals and values, and publicly acknowledging the employees most instrumental in the change process.

By following these 8 steps, organizations have a better chance of gaining support from employees, implementing and consolidating the change, and overall creating the right environment for change to take place in the future.

Organizational Sources of Resistance to Change

In addition to individual sources of resistance to change, organizational factors may prove to be barriers. For example, many organizations are based on stability—people are recruited because they fit in with the organizational culture and are then socialized to behave in certain ways through training, rules, processes, and procedures. However, this uniformity can lead to *structural inertia*, which makes an organization slow to change after having followed the same rules and procedures for many years.

Organizations can also fall prey to *limited focus of change*, which arises when only a small number of departments apply the change rather than the whole organization. Confusion often results because the change is not being fully enforced. Another organizational source of resistance to change is *group inertia*. This means that even if individuals agree with the change, they may be constrained by group norms—a situation that often occurs in unions.[21] Groups may also feel that organizational changes are a *threat to expertise*. For example, a data analysis department may feel threatened when a computer program is brought in to perform many of the data functions. The group may resist learning the program for fear it will render their roles obsolete. Furthermore, the group may not want to entertain *decisions that disrupt cultural traditions or group relationships*, which means they will cling to the familiar way of doing things.

Finally, an organization can experience *threat to established power relationships*, particularly when it is undergoing a reorganization. Companies moving from an autocratic structure to a participative or self-managed one are likely to experience opposition from middle managers who may feel their source of power is being threatened.

Reducing Resistance to Change

Typically organizations use different types of methods to deal with resistance to change.[22]

Education and Communication

One of the most common approaches to addressing resistance to change is education and communication. It is best to teach people about the change before it takes place and ensure the message is communicated clearly and effectively. For instance, when Google CEO Larry Page made the significant decision to restructure Google into a series of companies under a new umbrella corporation called Alphabet, he made sure everyone at Google understood the reasons for such a radical change. Page clearly explained why the changes made sense: under the new model, employees would be free to focus on their own goals without being concerned with Google's overall mission, as well as benefiting from more purposeful innovation. While Page acknowledged that change wasn't easy, he felt it was fundamentally necessary to restructure such a diverse organization, "in the technology industry, where revolutionary ideas drive the next big growth areas, you need to be a bit uncomfortable to stay relevant."[23]

Participation

When employees are involved in the change, they are more likely to support it rather than resist it. For example, Jim Whitehurst, CEO of Red Hat, an IT products and solutions organization, believes in including his staff in decisions before they are made. That way, everybody has a voice and an opportunity to share their solutions thereby becoming part of the change process. Whitehurst says, "The best way that I can describe how that feels is that we move most of the 'change management' activities into the decision-making process itself."[24]

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Involving employees in organizational changes will make them more invested and more likely to support them.

Negotiation

The negotiation method is generally useful when the employees resisting the change feel they have something to lose. Through negotiation, managers can offer them an improved compensation package or other incentives in exchange for agreeing to implement the changes. However, this approach can be expensive and might encourage others to seek the same treatment.

Manipulation

In certain circumstances, corporate management may use manipulation to encourage their employees to accept changes. For example, an influential figure of seniority might be drafted into the change process, not necessarily to play an active role, but to give endorsement to the change and convince the rest of the staff that the change is a good idea. However, if employees suspect they are being manipulated, it can lead to even more disruption.

Coercion

Coercion is most commonly used in a crisis when leaders need everyone on board with the changes and right away. However, although threatening job losses or providing poor performance evaluations might work in the short term, it usually leaves employees bitter and ultimately less committed to the changes. Research has shown that companies that threaten to fire their employees as a means of motivation can result in insecurity, poor health, burnout, and reduced levels of job satisfaction and performance.[25]

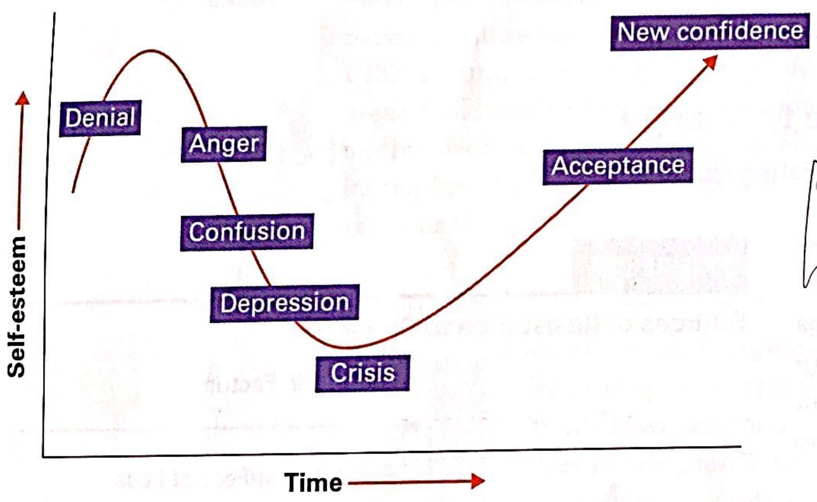
THINKING CRITICALLY

1. Assume you are a senior manager and you want to teach your junior managers skills that may help them adjust their attitude, behavior, and management approach toward colleagues. What are two concrete examples of skills you might teach them, and how would these help?
2. Of the various methods of addressing resistance to change (education and communication, participation, negotiation, manipulation, and coercion), are there any that you feel should never be used by effective managers? Explain your answer.

6. **Being left out:** People are more likely to support change if they are well-informed and made aware of the reasons that have led to the changes. This is especially important if their jobs are going to be affected.
7. **Change to routine:** It can be difficult to coax people out of their comfort zones in order to embrace new changes, especially if they have been with the company over a long period of time.
8. **Resignation:** Some people go along with change because they are too jaded to resist it. However, compliance does not lead to job satisfaction. For the changes to really work, people have to be motivated enough to support them properly.
9. **Perceptions of change:** People may resist change if they believe the change is more beneficial to another department or area or if they feel that they will be worse off once the change has been implemented.
10. **Inadequate benefits and rewards:** Many employees will oppose change if they feel unfairly compensated for making the change.

FIGURE 15.3

Psychological Reactions to Change



Source: Rick, Torben. 2011. "Top 12 Reasons Why People Resist Change." *Meliorate*. https://www.torbenrick.eu/blog/change-management/12-reasons-why-people-resist-change/

As Figure 15.3 illustrates, poorly communicated policies for change can raise a number of strong emotions such as denial, anger, confusion, and depression. A successful change management model will help to lead employees toward acceptance and provide them with the confidence to cope with the changes.

Kotter's 8-Step Change Model

Research conducted by Harvard business school professor and change expert John Kotter shows that only 30 percent of organizations successfully implement organizational change. As a result of his findings, Kotter created an 8-Step Change Model for leading change in organizations (see Figure 15.4).[20]

1. Create a Sense of Urgency

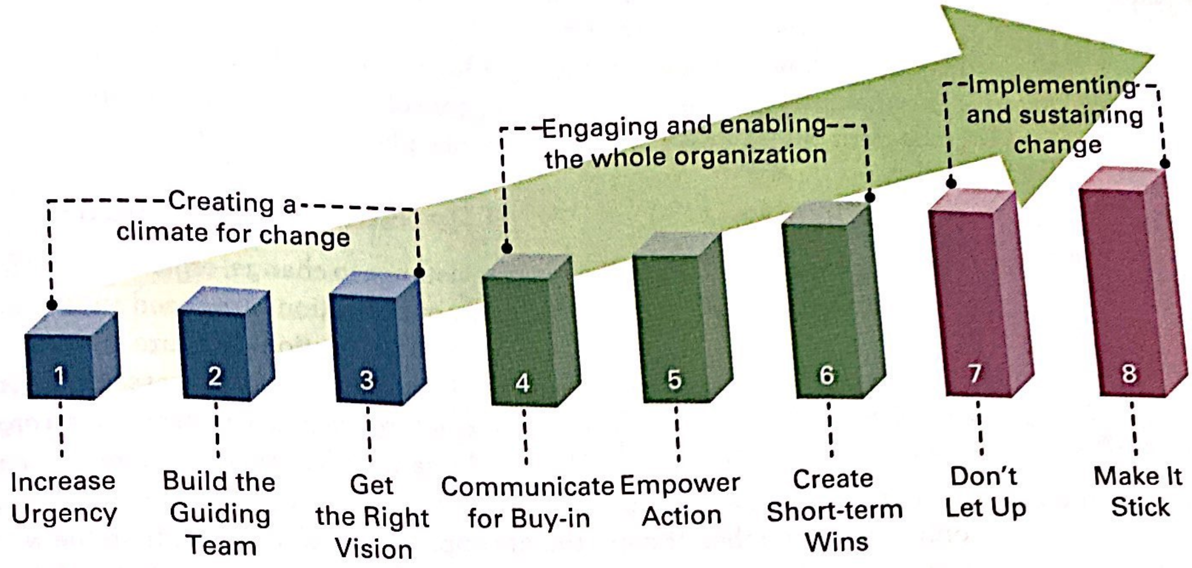
During the first step, employees must be made aware of how important the change is to them and the organization. This requires honest and open dialogue, outlining the threats and risks of not making the change, and the importance of taking action at this time.

2. Create a Guiding Coalition

It is important to create a project team, preferably composed of employees from different roles and positions, that focuses on the changes required by the organization. This team would encourage the rest of the employees to get on board with the changes and act as a sounding board for those who have any questions or concerns.

3. Create a Vision for Change

For change to work, people need a clear vision of what the organization is trying to achieve. Employees will need to be a part of that vision in order for them to accept the changes ahead.



Source: Kotter, John P. and Cohen, Dan S., *The Heart of Change*. Boston: Harvard Business School Press.

4. Communicate the Vision

Once the vision has been formulated, it is essential that it is communicated effectively to all employees across the entire organization. Talking to employees and keeping them informed increases the chances of acceptance, especially when their opinions and concerns are taken into account.

5. Remove Obstacles

Change will not be successful unless all obstacles are removed beforehand. In this context, the obstacles are usually employees who are resisting the change. Talking to these employees is the best way of understanding the reasons why they don't want the changes to go ahead. Incorporating their ideas into the change process is also a powerful way to get them onboard.

6. Create Short-Term Wins

Change can be a long process, and employees need to be motivated in order to go the distance. This is why it is important to create short-term goals, where employees are given rewards and acknowledgment when they have successfully achieved their targets. Not only will this encourage employees to continue to pursue long-term goals, but it sends a message to the rest of the organization that the change is definitely going ahead.

7. Consolidate Improvements

Kotter believed that many change processes tend to fail because victory is declared too soon. Change is an ongoing process which needs to be incorporated into the overall organizational culture. Therefore, organizations must promote the idea of continuous change and constantly look for ways to improve processes.

8. Anchor the Changes

For change to stick, it needs to be at the core of an organization. It must match the company's vision and values as well as the behavior of its employees. As time goes