

Taking on Workplace Change



The more things change, the more they change. After 20 years of wrestling with the implications of global competition, mergers and acquisitions, demanding stockholders, savvy consumers, and rapid developments in technology, the corporate world has resigned itself to change, change, and more change.

In turn, organizations are dancing as fast as they can by restructuring and implementing improvement programs to meet the challenges. These efforts typically involve change management, the process of identifying all the people who will be affected by the change, analyzing how they will be affected (including what they have to gain and lose), and then designing ways to reduce resistance or deal with it as it occurs, usually through models and methodologies.

Weighing the Risks

While change itself has become business as usual for many companies, however, managing it has not. A 2003 survey conducted by Prosci Research found that more than half of the responding companies (all of whom were undergoing change initiatives) were not using formal change management tools and techniques.¹

Not surprisingly, estimates put the success rate for corporate reengineering at between 20 and 50 percent.² A Harvard Business School study of the *Fortune* 100 showed that "only 30 percent of change [initiatives] produced an improvement in bottom-line results that exceeded the companies' cost of capital, and only 50 percent led to an improvement in the market share price."³

There are a variety of reasons why change initiatives fail. Leadership may not have a clear vision for where it wants to go or, if it does, it may not have a solid strategy for how to get there. Maybe it has both, but isn't willing to commit the resources. Even companies that are willing to pay to do it right are not guaranteed success: The companies in the Harvard Business School study each invested \$1 billion in change programs over a 15-year period.⁴



Another possibility is that the company, either because it doesn't realize it should or because it doesn't know how, isn't managing the change. "The first thing a company has to do to ensure the success of a change initiative is to *choose* to pay attention to managing change and the issues that people have with change," says Jeanenne LaMarsh, CEO of LaMarsh and Associates, which provides change-management resources and support to clients who are taking on large-scale change initiatives.⁵

"Business-process-reengineering project teams tell us that the number-one thing they would do differently on the next project is more effective change management," says Jeff Hiatt, president of Prosci.⁶ Mr. Hiatt says that teams assigned to a change initiative typically approach the project as if it were an engineering task. It isn't until they are well into it that they see what the real issues are (e.g., employee resistance, lowered productivity, unexpected turnover) and realize that change management is what's needed to successfully manage the human side of change.

"You can figure out all the scientific details and technology, but the art and discipline of managing people through this change process is your critical success factor—or your point of failure," Mr. Hiatt says. The facts back him up. Prosci's 2002 "Best Practices in Business Process Reengineering" study notes that "excellent or very good change management programs directly correlated with teams that met or exceeded their overall project objectives."⁷

Getting Everyone Onboard

A company with the clearest of visions, the soundest of strategies, and the deepest of commitments to manage change still needs employee buy-in to succeed. The greatest obstacle to the success of change management is employee and staff resistance, according to Prosci's "Best Practices in Change Management: Benchmarking Report 2003" study⁸ and a study done by Deloitte & Touche Consulting.⁹ Resistance results in high turnover, pocket-vetoing or foot-dragging among those who remain, and a tarnishing of one's image in the marketplace, all of which make it harder for the change initiative to succeed.

It is human nature to cling to the familiar, particularly during times of change. Organizations can't force people to change even in the best of circumstances. They can, however, build strong relationships with their people so that employees have the courage and confidence to take first a tentative step and then a bolder one in the right direction. To build a strong relationship, companies have to build trust. To build trust, they have to be honest with people, repeatedly sharing what they know. Communication is critical.

Change communication is only a part of change management, but it is the mortar that holds the rest together. In fact, research shows that the biggest reason for resistance to change is a lack of understanding of what the change is and why the change is happening.¹⁰ "Trust and understanding are critical in order to change behavior, but people don't trust what they don't understand," says Tracy Brower, workplace strategist for Herman Miller's Global Customer Solutions group, which provides facility change management-related services, including change communication, to clients. "Communication is all about building understanding and trust. It has to be integrated into the whole change management process."¹¹

That's especially true when making facility changes, whether an organization is doing so to support a new corporate culture, or simply because a building lease is up and there's a need to relocate employees. In any change initiative, people most want to know "what does this change mean to *me*?" In a facilities change, the answer is it means a lot. "When you change a person's office, you're doing more than changing furniture," says Ms. Brower. "A facilities change is all about reallocating a resource—space and the amenities of the space—and that brings up social issues: Will people think I'm less powerful because I no longer have a private office? Now that my boss and coworkers can see me all the time, will they be judging me all the time? Will everyone overhear my personal phone conversations?"

Depending on where an organization is in the process of a facilities move, there are things it can do to increase the likelihood that all stakeholders will declare the move a success.



Before the Change

Once the decision to make a facilities change has been made and a deadline has been set, resist the urge to start making things happen and instead take time to plan. “A lot of companies don’t take the time they need to in this stage because they are ‘fast tracking’ the project, but in the end they lose because they don’t get enough people on board,” says Ms. Brower. Also, now is the time to get leadership support and advocacy for a facility change if it doesn’t already exist. Even stellar change communication can’t overcome the problems caused by management that doesn’t really support a facilities change.

Establish a Cross-Functional Team. Having a team in place accomplishes some important objectives. Through their existing relationships with their own functional teams, the facilities change core team members can help build support and trust. They convey information and bring it back, helping identify concerns throughout the organization. “Doing all the communication activities in a closet is a common pitfall,” says Ms. Brower. “People will be less likely to embrace something that feels secretive.” An effective cross-functional team ensures that it won’t.

Develop a compelling case for change—and make sure it includes “What’s in it for me?” The case for change should spell out the changes that will be made, the reasons for making the change, and the ways in which the changes are linked to the company’s overall business strategy and goals.

John Kotter, author of *The Heart of Change*, says that companies that can *move people*—i.e., touch them on an emotional level—are more likely to succeed at whatever change they are trying to implement. Instead of trying to convince people to change by overwhelming them with data and analysis, move them to change by *showing* them the problem.¹² Showing helps people to connect with the necessary change by making the problem real and immediate.

Kotter gives the example of a manager piling up the 424 different kinds of gloves that the company was buying at different prices (sometimes for the same glove) and from different suppliers. “First people are shocked, then the gut-level sense of complacency shrinks and urgency grows. It’s not just a matter of the data saying that changes are necessary in the purchasing process so people alter their behavior. It’s an image, hard to shake, that evokes a feeling that we must *do* something.”¹³

Herman Miller, Inc., did something similar prior to its move into the MarketPlace facility in Zeeland, Michigan. The company shared the results of a workplace survey about where the building’s future residents spent their time. The survey showed that 48 percent of them spent 25 percent or less of their time in a workstation. Once employees saw the survey results, they understood why some of their offices would be smaller and why some could work just as effectively from shared work areas. The space was being reallocated to better align with *worker* needs, as identified in the survey.¹⁴

Create a communication timeline and decide on communication vehicles. Face-to-face communication is best early in the process. Especially initially, people want to ask real people questions in real time so they can watch body language and assess for themselves whether or not management is being honest. This kind of contact builds trust. E-mail can be a great medium later in the process, after people start to get on board, because it can reach a large, international audience instantly, and it’s two way. Use as many and as varied communication methods as possible, such as newsletters, intranets, e-mail, lunch-and-learns, videos, and tent cards. “Face to face is always best,” says Ms. Brower, “but there is a huge time cost associated with that. Think about the cost and the return on investment for each approach.”

When deciding on the ways to communicate with people, remember to think about the audience. Kevin Knudson, a strategic business development manager with Herman Miller, worked with Land O’ Lakes when the company decided to plan for an environment that was more conducive to teamwork. Knudson and the Land O’ Lakes internal communications group worked together to communicate to the Land O’ Lakes’ workforce in appropriate ways. “The company spent time with the workers face to face and listened to them,” Mr. Knudson says. “Long-time employees in particular valued being talked to and listened to. It’s a generational thing. They’ve avoided 95 percent of normal resistance just because of the way they’ve approached the change with good communication.”¹⁵

Identify the stakeholders and answer the question they all have: What’s in it for me? In any change, there are a variety of constituencies, each of which wants to know “What’s in it for me?” That’s because no one changes unless they have something to gain from it.



Gains might include a new office, office furniture that offers better ergonomic support, new synergies created by working near a different group, a chance to learn about a new function just by sitting near it, the chance to telecommute or work in different spaces in the building, and the pride that comes from a sharper image in the marketplace and community.

Acknowledge what employees are losing. During change, people always lose something, whether it's practical (an office that's close to the cafeteria) or emotional (a sense of security). "Accept the reality and importance of the subjective losses," writes William Bridges in *Managing Transitions: Making the Most of Change*. Managers worry that talking about it will only agitate people more, but it's "pretending that it doesn't exist that will stir up trouble. Research shows that people recover from loss more quickly if the losses can be openly discussed."¹⁶

Trying to sugarcoat the losses only undermines the trust companies work so hard to build. Instead, be upfront about the losses and, when possible, find ways to compensate for them. If the new offices are smaller and less private, a new chair or the option to telecommute a few days a week might make the move more palatable. Give people choices, if not about the color of the walls or who they will sit next to, then about accessories. Give them some flexibility to personalize the space so they feel comfortable there.

"The losses people feel are real," says Ms. Brower. "Accepting them as part of the process will reduce the project leader's frustration. And acknowledging them openly will help employees move on."

Set and manage expectations. One of the reasons that change communication is so important is that people who have a clear expectation of what's coming are more likely to trust the process. They also need to know the ways in which they'll be able to participate and give feedback, what will happen to their input, and who the final decision makers are.

"When you invite participation, you raise employees' expectations of being able to influence the process and the outcome," says Ms. Brower, "so you need to be very explicit about how their input will be used." Is management just offering them a chance to vent? Will their input be taken more seriously on some issues—such as the location of shared files—than on others? Whatever it is, be clear about it.

Make it a goal to overcommunicate. Make the case for change again and again, at different times, in different places, using different mediums. People need to hear it and they need time to process it. They will be ready to hear different parts of the message at different points along the way to a new facility. Communicating continually is exhausting work and sometimes the people who need to be doing it look for reasons not to. In *Managing Transitions*, Mr. Bridges identifies four common rationalizations for not communicating, and he has an answer to each of them.¹⁷

1. **They don't need to know yet. We'll tell them when the time comes. It'll just upset them for now.** For every week of upset that you avoid by hiding the truth, you gain a month of bitterness and mistrust.
2. **They already know. We announced it.** Threatening information is absorbed remarkably slowly. Say it again.
3. **I told the supervisors. It's their job to tell the rank and file.** The supervisors may not sufficiently understand the information to convey it accurately. Information is power, so they may not want to share it yet.
4. **We don't know the details ourselves, so there's no point in saying anything until everything has been decided.** In the meantime, people can get more frightened and resentful. Much better to say what you do know, say that you don't know more, and tell what kind of schedule exists for additional information.

During the Change

Once the facility change is under way, keep communicating with and listening to employees. Feed the information they give back into the process to allow for midcourse corrections.

Help instill new behaviors. Unfortunately, even a well-designed, carefully laid out, state-of-the-art facility doesn't guarantee that people will use the space in the way intended—even at Herman Miller, which has a lot of experience with facility moves. The company has done eight major facility projects for itself in the last five years, most recently the MarketPlace. The building is a working office, but it's also a living showroom, where customers can see Herman Miller's products in action.

As is always the case in a facility move, there were a few kinks that needed to be straightened out. Workers who spent less than 25 percent of their time in the office (called “voyagers”) were not assigned a workstation. Instead, they were assigned a “dock” in which they could leave their belongings and, when they were in the office, they could work at one of the many campsites scattered around the building. Voyagers started “office squatting”—putting their things in the same campsite every day instead of in the dock. “We learned that the voyagers did it because they wanted their coworkers to be able to find them,” says Lori Gee, project lead for Herman Miller workplace change initiatives.

Herman Miller addressed the problem in part through technology, giving most workers a cell phone and programming it so that a call to one’s corporate phone was automatically forwarded to the cell phone or to whatever campsite the worker was using that day. Some teams use instant messaging. The company implemented low-tech solutions, too, such as adding marker boards to the docks so people could leave messages about where they would be that day. The company also created a game called “Campsite Bingo.” Workers worked from a different campsite every day until they filled up their bingo card, which made them eligible to win prizes.

When some employees perceived the coat racks as being “too far away,” they started hanging their coats on panels and the backs of their chairs, obscuring the very things that the company wanted to show visiting clients. “We addressed that problem through one-on-one conversations with people,” says Ms. Gee. “We just reminded people that one of the functions of the MarketPlace is to display the beauty and capability of our products for potential customers. Because they are employee owners who stand to gain from sales, they understood.”¹⁸

Communication continues to be key throughout the facility move, says Ms. Brower, because there’s a need to understand why people are not using the space as intended. “Sometimes it’s a matter of them having to learn new habits. Sometimes it’s a matter of them disagreeing with the corporate philosophy. If you can help people understand the reasons for things—in this case, that you need to hang up your coat so customers can see the furniture at its best—then they are more likely to cooperate.”

Accommodate people when you can. The residents of Herman Miller’s MarketPlace were disappointed that their stunning new

building did not have food service. After doing a trial run to see if there was enough demand for it to justify the costs, the company learned that it wasn’t viable on Mondays or Fridays, but that there was enough support during the middle of the week. “We were clear with people about how much money we needed to make to support it,” says Ms. Brower. “So when we couldn’t offer food service every day, they understood why. More importantly, they knew their concerns had been heard.”

Encourage people to respect the ground rules. This can be tricky because many of the ground rules are really norms, which means they aren’t written down anywhere. Issues like the use of common space in an open-plan facility often arise because people using the space have different needs.¹⁹

One of the biggest reasons companies move to open plans is that it improves communication: People who can see each other are more likely to talk to each other. Too much talking—or talking that’s too loud—can be a major problem to a coworker who’s trying to concentrate.

Sometimes teams write down their rules. When Andersen Worldwide SC in Chicago moved 1,100 people (30 percent of whom had been in enclosed offices) into new, open-plan offices, they put in place a “good neighbor” policy, including guidelines that would help workers adjust to the new space. Guidelines included “use speaker phones only in enclosed spaces” and “use main corridors; don’t cut through neighborhoods.”²⁰ While basic, the written rules were useful because they were a starting point for people who had space-related disagreements.

If there get to be too many rules, Ms. Brower says, the team may decide just to use common sense. A good sense of humor doesn’t hurt, either.

Tell people how they will be held accountable. Hold people accountable for supporting the change effort just as for any other part of their job, and handle problems that come up in a similar way, too. Try to understand what it is that’s keeping them from adapting to the new facility and if there’s something management can provide, like information or some kind of support, do that first. If that doesn’t help, then tell them what the consequences will be. If they still don’t comply, then go into performance management, although facility issues rarely lead to terminations.

After the Change

After people have settled into a new facility, it's tempting to say, "There. That's done!" It's not. This is the point in the process where people want to know whether or not the move has been worth the effort. Is it working? Is it doing what the company set out to do? Was it successful?

Keep the executive sponsor and the project leader as key champions. Ideally, a member of the facilities change team and the executive sponsor will stay in place long enough to resolve big issues for at least six months. Primarily because of the executive's standing in the organization, she brings "pull and push" to the effort: Employees are pulled because they want to be like her and pushed because her presence reminds them that they will be held accountable.

The project leader, on the other hand, stays onboard to be a living feedback loop and make sure daily issues get resolved. It helps if he keeps a calendar and e-mail answering message current so people can find him when they need to tweak something in their space.

Foster community building. People are more likely to settle into a new space quickly and happily if they feel they are part of a healthy community. During the move-in phase of the MarketPlace project, the Herman Miller facilities team recruited new residents to be on the "Build a Better Community" team. "The idea was to draw the disparate groups together in a fun way," says Ms. Gee. Their activities have included a miniature indoor golf game, a preferred parking lottery, big-screen movie viewings in an area referred to as the "Drive In," and a drawing for free massages. People who otherwise would never have had a reason to introduce themselves now have a way of connecting not only during an activity but also after it. "Just being at the same activity gives them something in common, something to make small talk about," says Ms. Brower. "It may not seem like much, but it can lead to better relationships."

Evaluate your effectiveness. The only way to get an accurate assessment of how well an organization managed the facilities move and how well people accepted it is to ask. Create a questionnaire, poll the end users and stakeholders, and do a quantitative analysis of results.

Be disciplined about continuous improvement. The results of the questionnaire will indicate what still isn't working in the facility or in the communications about it. If people have watched a video and received an e-mail on how to adjust their new ergonomic chair and

they're still complaining that they can't do it, then think about changing your communication methods. Perhaps give small-group demonstrations instead.

In the end, workplace change has the best chance of succeeding when everyone wants it to work. If a company identifies the different audiences and what they stand to gain and lose, if its management shows these audiences why the change is needed, and if change leaders answer each group's one burning question "What's in it for me?" then chances are good for successful change.

Notes

- 1 "Best Practices in Change Management: Benchmarking Report 2003," Prosci. All statistics quoted from this report were taken during a January 7, 2003, phone conversation with Prosci president Jeff Hiatt.
- 2 "Why Do Employees Resist Change?" by Paul Strebler, *Harvard Business Review on Change* (HBS Press), p. 140.
- 3 "Changing the Way We Change," by Richard Pascale, Mark Milleman, Linda Gioja. *Harvard Business Review*, Nov-Dec. 1997.
- 4 *Ibid.*
- 5 January 7, 2003, phone conversation with Jeanette LaMarsh.
- 6 January 7, 2003, phone conversation with Jeff Hiatt, president of Prosci. He was quoting Prosci's 2002 Best Practices in Business Process Reengineering Report.
- 7 Prosci's 2002 "Best Practices in Business Process Reengineering Report," executive summary.
- 8 "Best Practices in Change Management: Benchmarking Report 2003," Prosci.
- 9 Deloitte & Touche Consulting Group 1995 Survey of CIOs.
- 10 "Best Practices in Change Management: Benchmarking Report 2003," Prosci.
- 11 From a series of phone interviews with Tracy Brower during October 2002.
- 12 *The Heart of Change*, by John P. Kotter and Dan S. Cohen, Harvard Business School Press, Boston, MA, 2002.
- 13 *Ibid.*, p. 8.
- 14 "MarketPlace Overview" PowerPoint presentation; Herman Miller. Traditional office space is broken up into 80% individual space, 12% conference, and 9% support. The MarketPlace, by comparison, is broken up as follows: 55% individual space, 21% collaborative, 12% conference, and 12% support.
- 15 December 17, 2002 phone interview with Kevin Knudson.
- 16 *Managing Transitions: Making the Most of Change*, by William Bridges, Addison-Wesley Publishing Company, Reading, MA, 1991, p. 23.
- 17 *Ibid.*, pp. 27-28.
- 18 Lori Gee, phone interview, January 2003.
- 19 "Seven Ways to Get Along in an Open Office," www.jugglezine.com.
- 20 *Ibid.*