

Sad Truth About Change

The Most Neglected Aspect of Change Management

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Today I'm taking up a theme which confronts all of us who are in leadership or management posts – how to effect change constructively and successfully. The speed at which change is occurring has never been faster, as everyone recognizes. And inevitably, change in the world around us mandates changes in how our organizations respond to that change.

Change management is fraught with challenges. And we now have an endless array of books and seminars to offer counsel on how to overcome the more difficult aspects of these challenges. Yet, there is one element of change management which gets little attention, although in my judgment it should be a pivotal consideration. That's why I'm taking it up today. In all likelihood, you've never heard this topic addressed before. But becoming more aware of it is sure to upsize your leadership.

How many times have you heard someone say, "People don't like change." It's a charge that every generation of younger people seem to levy on the generations which preceded them. My generation was no exception.

We came to adulthood at the outset of the 1970's, when the high-tech world was exploding with breathtaking innovations which would catapult America out of the Industrial Age into the Information Age. These new technologies were so sweeping, their impact so far-flung, that the workplace, entertainment, even home life were changing at a staggering rate.

And throughout my college years, I heard my peers – eager to embrace this emerging new world – complain that the older generation was unwilling to change. I probably lodged some of those same complaints myself.

My dad, of course, was part of that older generation which we were grouching about. He was born in 1906 in what was then called the Indian Territory, today the state of Oklahoma. As a small child, he traveled with his family in a covered wagon to East Texas, where they settled just north of the Sabine River. Except for a stint in the Navy during the Second World War, that's basically where he would spend the rest of his life.

His was a rather poor family. He never finished high school, never read much above an eighth grade level. But no one ever worked harder or with more skill at his trade.

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One day, as I was reflecting on his life, I suddenly had an “aha” moment. Here was a man who moved to East Texas in a covered wagon and lived to watch men walk on the moon. Where did we get the idea that his generation could not change? All they ever did was change. No previous generation in the history of mankind had ever experienced so much change in so many dimensions of their life.

Right then and there I decided to be more cautious in the future before accusing people of being unwilling to change. Yet, I could still see why there is such a common perception that people don't like change. As soon as I stepped into serious leadership roles in my twenties, I had to contend with resistance to change.

Having reframed the way that I thought about my father's generation, however, I began looking at resistance to change through a new lens from the way that my peers viewed this reluctance. I no longer believe that people in general are inherently opposed to change. A few are, to be sure. They are, as the expression goes, “set in their ways” and have no intention of making a change.

But for most people, change is acceptable so long as it makes their life or the life of those whom they love more comfortable, more secure, more bearable, or more enjoyable. What I've found in my decades of leadership is that it's not so much change which people resist. It's the way that the change is being implemented. The faster things change, the more artful leadership must be in structuring the process by which change is carried out.

As a business consultant and leadership coach, I've made a practice of observing the common factors in change processes which are successful and the one which are not. I quickly noticed that the decisive issue is often the approach which leaders use in managing change. Some approaches result in broad acceptance of change. Others trigger pushback or outright rebellion.

One thing which successful approaches have in common is that they take into account the variety of reasons why people resist change. And these have nothing to do with generational differences. Or ethnic considerations. They have to do with how all of us are wired as human beings. If leaders ignore that wiring, they are opening the door to unnecessary pushback when they undertake major change initiatives.

Let's talk today about a side of change which is rarely addressed in management seminars or books on managing change. From what I've observed, however, it's a factor which wholesale change initiatives should never overlook. It's the reality that while leaders may be excited about a change, the people affected by it may be running an entirely different set of emotions. Not the least of these is sadness.

You see, change always entails loss. To embrace something new, something that's already familiar to us – and perhaps even valuable to us – must be abandoned. As Thomas Sowell likes to say, “There are no solutions. Only tradeoffs.”

Often these losses are minimal enough that people easily accept the tradeoff which the change imposes. On other occasions, the tradeoff is not so easily or quickly accommodated. People need time to process the sadness of losing something which they value. And while they are going through this adjustment process, they will be reluctant to make a wholehearted commitment to the change.

Let me illustrate. Early in our marriage, my wife Fran and I lived in California, first in the Bay Area and later just north of Los Angeles. We loved it for a variety of reasons, not the least of which was some of the options which it gave us, options which we could find nowhere else in the U.S. Less than 30 minutes from our house were the mountain heights of the Coastal Range. Another half hour of driving put us on magnificent beaches. In the other direction, the high desert was an hour or so to our east. And another hour beyond that, we were nearing the foothills of the Sierra Nevada Mountains.

As a family which loves nature, we could not have asked for a more ideal location in which to live. And not to be overlooked, the weather was just about ideal year round.

One of the things which we did *not* like was how fast the prices of homes were rising. When we moved to Los Angeles from San Jose, we sold a small house (less than 1300 square feet) for nearly three times what we had paid for it five years before. As the family grew, space was going to be tight, with little opportunity to buy a bigger place.

But once settled in LA, we kept our eyes open for just the right deal. And a year later, one fell in our lap. Soon we were settled into a lovely home which would accommodate our family for years to come, and with a house payment that was altogether manageable.

A year after we bought, the board of a small college in the Pacific Northwest asked me to become president of the college. We gave it brief consideration, but then said, "No." A year later they circled back to me again. Their presidential search in the interim had been unsuccessful, and the school was teetering on bankruptcy. This time they urged me quite fervently to take the post.

Because we had many friends associated with the school and because I had spoken on the campus several times, we did not want to see it fail. Thus, ultimately we made the decision to accept their invitation. But it was not an easy decision. We had to work through a long list of tough logistics and transition issues before we could say, "Yes." And the toughest part of the decision – and the last piece with which we had to contend before agreeing to move – was what we would lose by relocating.

Specifically, we were giving up so many of those things which we loved about where we were – not just for whatever time we might be in the Northwest, but forever. Once we moved out of state, we would never own a house which appreciated in value as rapidly as those in California. Once we left, it was financially unlikely that we would ever be able to return. And for us, that was no small loss. It was almost as sad as losing a close friend or loved one to death. We needed some time to process the grief. And I use the word "grief" literally.

Now, this is an extreme example of the kinds of loss which come with change. But because it is extreme, it vividly illustrates the point I'm making. Major change entails tradeoffs and tradeoffs entail loss. Wise leaders never minimize the significance of that loss to the people who are affected by it. They acknowledge the loss, empathize with those who are experiencing it, and are patient with people as they work through their sadness over the loss.

The loss can take a variety of forms. It may be losing a working relationship with a colleague which is meaningful, because, with the change, there will no longer be opportunities for them to collaborate. It may mean that a favorite aspect of the job goes away. It may be that the change leaves the person less time for family or for some meaningful volunteer project in the community. Or the change may mean no longer reporting to a manager who has been an

invaluable advisor, encourager, and mentor. There's no one template for anticipating the exact nature of the loss.

Until the loss is processed, however, we should not expect an eager embrace of proposed change. Worse still, we should not make statements or take actions which seem dismissive of the loss. Doing so sets the stage for long-term dysfunction to set in.

Let me offer a striking example of this. I once consulted with a company which experienced this kind of dysfunction to the extreme, so that the once-profitable company eventually failed. It had been started by friends of mine as a business operating out of their home. But they had a timely product for the market. They quickly became profitable and began to diversify their product line.

To do so, they needed a surge of new workers, and they found most of these key players among family and friends. Every new product seemed to be a winner and the company mushroomed in staff size. The company facility was bustling with activity, with dozens of workers, most of whom were very well acquainted with one another or even relatives.

One day the owners were approached by a company interested in buying their booming enterprise. The price offered was irresistible. They took it, and the transition to new ownership took place hurriedly. The new owners knew none of the workers in the company and had no understanding whatsoever of the corporate culture. What the ownership did understand is that on the books, the staff seemed somewhat bloated. There were too many workers. Money was to be made by reducing staff and cutting personnel expenses.

Based on that consideration, they immediately made wholesale cuts in the work force. About a third of the workers were let go in one fell swoop. At the same time, nothing was done to reconfigure the workspace. Every day staff members walked past empty desks and empty offices which had once belonged to a relative or a close, close friend. Their sense of loss and grief were renewed every morning.

Needless to say, morale problems soon took over in what had once been a happy, enthusiastic, creative work force. Productivity plummeted, not only because there were now fewer workers to share the load, but because sadness was sapping energy from the daily routines. Every staff meeting was a reminder of the people who were no longer a part of the work team.

One by one, the least profitable products began to lose money and were shut down. Then profit margins on the mainstream products went into a tailspin. Before long, the continued existence of the company was doomed.

I've often wondered how things might have turned out differently had the new ownership taken time to identify the personal tradeoffs which they were asking their workers to make. Could they have approached things differently to mitigate the level of loss that their people continued to feel? I believe they could have.

Again, this is an extreme example. But by being so extreme, it highlights an aspect of change management which should never be ignored. I'm a firm believer that it's always better to profit from the mistakes of other people rather than profit from our own. And there's much to learn from this story of business and management failure.

As leaders and managers, we are expected to make timely and sometimes sweeping changes in our organization, its mission, or its offerings. It's essential for continued health and long-term

survival. We therefore put extensive effort into planning such changes, determining how best to sequence them, and teeing up the process by which to implement them.

As part of that planning effort, let's make time to consider the proposed change from our people's perspective. What tradeoffs will the change require of them? What loss will these tradeoffs entail? How serious are these losses to them? What can we do to minimize these losses and to be supportive of our people when the loss cannot be avoided?

I rarely hear these questions discussed when wholesale change is being planned. In fact, over almost a quarter-century of business leadership consulting, I can count on one hand the number of times that clients put these issues up for consideration without my prompting.

The prevailing assumption seems to be that people will adjust to the change. But adjusting to a change and accepting it are two different propositions. Ask anyone who has suffered the tragic death of a loved one. Adjustments can be made quickly. Acceptance often takes time. Let's be as intentional in thinking through the tradeoffs which change thrusts on our people as we are in thinking through the details of the change itself.

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