

**Four Antidotes to Change Resistance**  
by John Jones, Claudia Staub, and Elizabeth Powers

01/15/04

# Four Antidotes to Change Resistance

Four techniques can mitigate the emotional and cultural challenges of achieving strategic transformations in organizations.

by John Jones, Claudia Staub, and Elizabeth Powers

Companies must weather a remarkable array of storms today: rapidly evolving market dynamics that undermine share prices, disruptive technological innovation, and uncertain leadership (the CEO who is riding high and falls is rarely given a second chance). To thrive, companies not only must identify the right new strategy, but also must push it out quickly so it reaches all levels of the organization. Often, however, a strategy that seems perfectly logical at the top falls victim to emotional and cultural booby traps below.

Knowledge alone does not motivate action. Employees' emotions can always provoke resistance. Consider these examples we've encountered:

- A major multiline insurance company needed to change its culture from one in which people avoided confrontation to one in which employees engaged in debate

and resolved conflicts before they escalated out of control. But employees were afraid to put themselves on the line in these ways.

- Most workers at an international bank defined job success through the selling and processing of loans. A strategic shift to selling non-credit products touched off fear, confusion, and insecurity, about both the definition of success and the nature of customer relationships.

- A telecom company had a long-standing, albeit undocumented, social contract with its employees that guaranteed their jobs. As a result, employees did not believe there would be repercussions if they did not change their behaviors to meet new competitive conditions.

- At a major publisher, employees saw that the editorial department, the firm's cultural center (i.e., the unit that was the major contributor to the organization's revenue and behavioral standards), was not

truly required to change despite top management's assertions of urgency, engendering cynicism in the staff.

These situations — and the multitude of similar ones executives regularly face — are not intractable. Our experience is that four strategies can mitigate the emotional and cultural challenges of achieving strategic transformations in organizations:

**Bring employees face to face with the external pressures to change.** Staff can be energized to participate in a change initiative if they understand how their work contributes to the company's success. A consumer products company used small group meetings to reach all employees and to explain changes in its industry's cost structure and its rapidly declining demand. These meetings, and the effective opening of the books on the industry, prepared the employees to shift from a "blank check" culture in which cost did not matter to a leaner institu-

tional mind-set with fewer personnel and with organization-wide accountability for costs.

#### **Engage change zealots.**

People who “own” and drive the change can serve as role models. A clear best practice is to identify the zealots early and encourage them to drive the changes. Some will have influence because of their positions or titles; among them will be early adopters and resisters of change, and both will affect the way people around them think. Others will be in the cultural center of the organization. Still others are leaders not because of their titles or positions, but because of their connections and ability to persuade or influence others. Finally, some, whom we call found change agents, are already demonstrating the behavior, values, and capabilities crucial to the future operating model. In the consumer products company, the marketing group (the company’s cultural center) joined the top team in leading the change. For example, when marketing asked R&D or operations to explore new product dimensions, it asked for information on the cost impact of its requests and offered information about expected revenues so that decisions could be coordinated. The behavior change from the cultural center demonstrated the integrity of the cost-cutting program.

#### **Manage employee feelings.**

Help people deal with their emotional reactions to change and decide whether they can thrive in the new environment. Booz Allen Hamilton research on severance package acceptance rates, for example, shows that when the magnitude of layoffs and the scope of change are clearly communicated, 10 to 30

percent more employees accept voluntary severance than in firms with less-developed programs.

#### **Support the change with new tools and systems.**

The international bank cited above created customer profitability models to help the sales force identify priority accounts for cross-selling and developed balanced scorecards to monitor changes in sales behavior and financial results. Incentives were being adapted to reward the selling of noncredit products. The most successful units have used recognition programs to help employees understand the new definitions of success.

However, incentives also need to include negative repercussions for those who resist the change program. The top team needs to communicate that employees who cannot change will need to either move into new positions or leave the company.

Companies often say that their employees are their greatest asset. Yet the very attributes that make them valuable — their commitment and passion, and the satisfaction, identity, and pride they derive from their work and the company’s success — also create formidable barriers to change. With these four techniques, companies can break down these barriers and make change happen, while still treating their employees with dignity and respect. +

#### **Related Articles**

“Treating the Troubled Corporation,” by Gary Neilson, David Kletter, and John Jones, *s+b enews*, 03/28/03.  
[www.strategy-business.com/enewsarticle/22230](http://www.strategy-business.com/enewsarticle/22230)

“The Organization vs. the Strategy: Solving the Alignment Paradox,” by Jeffrey W. Bennett, Thomas E. Pernsteiner, Paul F. Kocourek, and Steven B. Hedlund, *s+b*, 4Q 2000.  
[www.strategy-business.com/article/14114](http://www.strategy-business.com/article/14114)

#### **John Jones**

([jones\\_john@bah.com](mailto:jones_john@bah.com)) is a vice president with Booz Allen Hamilton in New York. Mr. Jones is a specialist in organization design, process reengineering, and change management.

#### **Claudia Staub**

([staub\\_claudia@bah.com](mailto:staub_claudia@bah.com)) is a vice president with Booz Allen Hamilton in Zurich. Ms. Staub specializes in organization design, values-based leadership, and change management.

#### **Elizabeth Powers**

([powers\\_elizabeth@bah.com](mailto:powers_elizabeth@bah.com)), a senior associate in Booz Allen Hamilton’s New York office, specializes in change management for companies that are designing and implementing new operating models.

strategy+business magazine  
is published by Booz Allen Hamilton.  
To subscribe, visit [www.strategy-business.com](http://www.strategy-business.com)  
or call 1-877-829-9108