Change Management in Hard Times

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Change Management in Hard Times

Some Background
This paper grew out of a request for me to make a presentation via a webinar. In turn, the request was triggered by a paper on my website titled “Change Management 101: A Primer.” The subject of the presentation requested was to be change management in harsh economic times. That soon became change management in hard times. In response to the request, I quickly dashed off some thoughts and they formed the initial draft of this paper. I then began working on the required PowerPoint presentation and that led to an interactive process whereby the presentation informed this paper and this paper informed the presentation. Both were modified as a result. Several people reviewed and commented on the paper. Some minor suggestions were made and incorporated but, by and large, the substance of this paper remains as originally written.

The organization of this paper – and the companion PowerPoint presentation – consists of the 19 points listed below. These points are elaborated upon in the balance of this paper.

1. Head Off those Unintended Consequences
2. Avoid Carelessness and Over-Confidence
3. Move Surely but Not Necessarily Swiftly
4. Don’t Sacrifice the Long-Term
5. Adapt Your Approach to Fit the Change at Hand
6. Visualize Your Organization and the Changes in and to It
7. Understand and Map All Three Domains of Performance
8. Get Good Counsel
9. Use a Mix of Change Management Strategies
10. Share, Share, Share; Listen, Listen, Listen
11. Do Some Homework and Get Connected
12. Break Down Boundaries and Don’t Stand on Formalities
13. Don’t Make Slashing Staff Your First Move
14. Refocus and Reallocate Resources
15. Manage the Emotional Reactions to Change
16. Engage and Involve Your People
17. Hone Your Political Skills and Your People Skills
18. Pay Attention to ALL Your Stakeholders
19. Encourage divergent views

Many of the graphics illustrating these points are too large to be easily incorporated into the text and so all of them are included in sequential order at the end of the paper. They are referred to by page number in the text. I apologize to the reader for having to flip back and forth between graphics and text.

Some Differences
The first thing to note is that change management occurs in organizations and life in organizations is very different in hard times than it is in good times. Some of these differences are reflected in the table on the next page.
## Change Management in Hard Times

<table>
<thead>
<tr>
<th>Organizational Life in Hard Times</th>
<th>Organizational Life in Good Times</th>
</tr>
</thead>
<tbody>
<tr>
<td>The economic environment is harsh and unforgiving. Costly mistakes can create an unrecoverable situation. The margin of error ranges from extremely small to non-existent.</td>
<td>The economic environment is lush and very forgiving. Even costly mistakes can be accommodated. The margin of error is not without limits but neither is it quite small.</td>
</tr>
<tr>
<td>The number of changes forced upon the organization from the outside increases; their rate of appearance accelerates and it might be seen as unmanageable.</td>
<td>The number of changes forced from the outside is low and remains so. The rate of change may be increasing but is seen as manageable.</td>
</tr>
<tr>
<td>The balance of externally-forced and internally-selected changes shifts to externally-forced, and internally-selected changes take a back seat. The organization is easily moved from a proactive to a reactive stance.</td>
<td>The balance of externally-forced and internally-selected changes favors internally-selected changes. The organization can adopt and stick to a proactive stance and is only rarely forced into a reactive stance.</td>
</tr>
<tr>
<td>A sense of urgency prevails and can easily become a crisis atmosphere filled with emergencies. Actions become hurried, the result of pressure to “just do it,” and the unintended consequences of those actions multiply, perhaps leading to a downward spiral or vicious cycle.</td>
<td>An occasional sense of urgency might exist but, overall, an atmosphere of calm rationality prevails. Time is available to think things through and there is appropriate pressure to “get it right.” The organization might hit a bump or two but it is in no danger of falling off a cliff.</td>
</tr>
<tr>
<td>The long-term view gives way to short-term pressures. A “one-size-fits-all” change strategy (usually a power-coercive one) emerges as dominant. Tolerance for dissenting views disappears.</td>
<td>The long-term view is ever in play and strategic decisions reflect both short-term and long-term considerations. Change strategies are carefully thought through and fit to the situation and the players.</td>
</tr>
<tr>
<td>Short-term financial pressures lead to a focus on and a preoccupation with actions that have clear-cut financial impact. The operational and behavioral domains of performance are neglected or attempts are made to manage them with an iron hand.</td>
<td>Managers and execs are concerned with all three domains of performance, especially the linkages between and among the three. There is a balance between and among the financial, operational and behavioral domains.</td>
</tr>
<tr>
<td>The quantitative displaces the qualitative.</td>
<td>Quantitative and qualitative are in balance.</td>
</tr>
<tr>
<td>Authority and decision-making quickly become highly centralized.</td>
<td>Authority and decision-making are some mix of centralized and de-centralized.</td>
</tr>
<tr>
<td>Politics become fierce; personal survival is at stake for many players. Mistakes can be fatal to one’s career.</td>
<td>Politics are ever present but an accepted part of the game and mistakes are rarely fatal.</td>
</tr>
<tr>
<td>The personal need to appear competent fosters a focus on placating/satisfying one stakeholder or a small subset of stakeholders.</td>
<td>In general, efforts are made to balance and integrate the needs and requirements of all or most stakeholder groups.</td>
</tr>
</tbody>
</table>
Some Pointers

*Head off those “unintended consequences.”* At one time or another, we all have confidently embarked upon some course of action, sure of the outcomes, only to be surprised by an outcome we neither anticipated or wanted. We call these surprise results “unintended consequences.” In hard times, owing to a low tolerance for error and missteps, these unintended consequences can be especially costly and it becomes extremely important to avoid them whenever and wherever possible. One way of heading off those unintended consequences is to pay close attention to all the dimensions of your goals and to all the implications of the actions you are contemplating.

Ordinarily, we tend to set and think of goals in terms of the things we’re out to *Achieve.* Typically, these are things we want but don’t have. There’s nothing wrong with focusing on *Achieve* goals but there are three other dimensions of goals and the actions we take to attain them: *Preserve, Avoid and Eliminate.* *Preserve* goals refer to things we currently have and want to keep. *Avoid* goals refer to things we don’t have and don’t want (e.g., those unintended consequences we’re discussing). *Eliminate* goals refer to things we have and don’t want. The *Preserve* and *Avoid* dimensions are particularly important in hard times. If you don’t pay attention to these other two dimensions of proposed goals and actions, you run the risk of “throwing out the baby with the bathwater” or of shooting yourself in the foot. Finally, change also carries with it the opportunity to rid yourself of some things you might currently have but don’t want. So, as you contemplate changes, ask yourself four related questions: “As a result of this change: (1) What do we want to *Achieve?* (2) What do we want to *Preserve?* (4) What do we want to *Avoid?* And (4) What do we want to *Eliminate?”* You might find the Goals Grid shown in Figure 1 (p. 12) helpful to you in thinking through changes and actions.

*Avoid carelessness and over-confidence.* In hard times, many changes are forced upon organizations from the outside, and changes in the organization’s environment force managers to initiate many changes in response. Sort the changes facing you into two piles: (1) those being forced upon you and (2) those you’re choosing to make (for whatever reason). You have much more latitude regarding the changes you choose to make and you can manage them as tightly or as loosely as you choose. Because you don’t have as much latitude regarding the changes that are forced on you, you run the risk of saying “I don’t have any choice” too soon and you wind up making that kind of change without giving it as much thought as you should. The changes forced on you require as much if not more careful thought than the changes you choose to make (see *Preserve* and *Avoid* above). In the case of forced choices, the enemy is carelessness; in the case of optional changes, it’s over-confidence.

*Move surely but not necessarily swiftly.* We are often cautioned that “haste makes waste” and we are admonished that we should not fall prey to “the paralysis of analysis.” There is a balancing act to be maintained between speed and certainty. On the one hand, moving too quickly can indeed be wasteful and, on the other hand, “nothing rots morale more quickly than leadership that does not know its own mind.” Let certainty be a check on speed and let urgency be a spur to certainty. Moving “surely” refers to being confident that proposed actions will have the claimed effects once they are carried out. This entails having a good grasp of your company’s performance architecture. (More on this later.) Absent a good grasp of your company’s performance architecture, your interventions will be “shots in the dark” and hitting the target will be a matter of intuition and luck. Failure to get it right will destroy confidence.
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and cooperation; in other words, it will build and reinforce resistance to change. “Dragging your feet” is almost as deadly. In short, as the management gurus often remind us, it is important to do the right thing right. Strategy and execution must both be sound. As the Strategy vs Execution matrix in Figure 2 (p. 13) shows, if your strategy is sound but execution is poor, you’re guilty of muffing it; it’s a botched job. If strategy is poor and execution is sound, you run the risk of shooting yourself in the foot; you’re flirting with disaster. If strategy and execution are both poor, your endeavor is doomed from the beginning. Only if you get strategy and execution both right do you have a fighting chance.

Don’t sacrifice the long-term. Take steps to ensure that proposed actions address long-term as well as short-term considerations. Failure to make clear the long-term implications will give the impression of panic and knee-jerk reactions. Making clear the long-term considerations will reinforce a view of visionary and thoughtful leadership. It’s a confidence-builder – of confidence in you.

Adapt your approach to fit the change at hand. Are you changing processes, changing behavior, changing organizational structure, changing culture, changing compensation systems, changing benefit systems, changing billing systems, changing what? Depending on what you’re changing and how you’re going to change it, different approaches, different models, different strategies, and different stakes will be involved. There are no “vanilla” change management approaches. Most successful changes are one-offs or customized. To be sure, there are some basic models, principles, techniques, etc., but change management calls for a configured response, not a prefigured one. One helpful tool in this area is to have and refer to some kind of model of organizational elements. The model in Figure 3 (p. 14) is offered as an example. You don’t have to use it but you should have something like it available to you.

Visualize your organization and the changes in and to it. According to Confucius, “A picture is worth a thousand words.” Any technician or engineer can tell you that a good schematic of the system or equipment you’re working on is essential to maintaining and fixing it. The same holds true of organizations. Nothing is quite so helpful as a good picture of the structure of your organization. Indeed, done properly, the picture is in fact a representation of the performance architecture of your organization. Knowledge of that architecture is vital to the success of any efforts to change it whether for purposes of improvement or simple adaptation or part of a scramble to survive.

Several models can prove helpful here. Consider Figure 4 (p. 15). It depicts an organization as an open system, a recurring cycle of events. Inputs come from suppliers. These inputs are transformed into outputs and then exchanged with customers for inputs in the form of payments. These payments represent money that is used to pay suppliers to obtain more production inputs and thus continue the cycle. It goes without saying that good relationships are central to sustaining this cycle. Obviously, more detail is needed.

Figure 5 (p. 16) provides additional detail. It depicts an enterprise level model. It depicts the entire organization in a way that highlights the importance of its functional organization and those pesky cross-functional processes through which people and equipment actually perform the work of the organization.
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**Figure 6** (p. 17) illustrates why having such models or schematics of your organization is so important. Change is usually indirect, that is, you don’t change profits or productivity or anything else directly; instead, you change something “over here” so at to realize a result or effect “over there.” In other words, changes made at one point, ripple through the structure of the system you’re changing and make themselves felt elsewhere. If you are going to change something with a particular outcome in mind, you had better be reasonably sure of the connections or linkages between the things you change (i.e., your points of intervention) and the results you’re after (as assessed at your points of evaluation). This means you need models of all three domains of performance in an organization – Financial, Operational and Behavioral – and you need to be able to link them. (More on these three domains is coming up next.) Whether you use the particular models just presented is unimportant. What is important is that you develop models and use them to guide your interventions and change management efforts.

**Understand and map all three domains of performance.** Organizations are usefully viewed as having three major domains of performance: Financial, Operational and Behavioral. The three are connected. You need to map and understand all three domains because when you change things, you are altering things within and between these domains. **Figure 7** (p. 18) is one way of viewing these three domains. It illustrates their overlap or inter-connectedness.

**Figure 8** (p. 19), the Performance Pyramid, illustrates how the behavioral domain feeds into the operational domain and how the operational domain feeds into the financial domain.

**Figure 9** (p. 20) shows what results from mapping a key financial measure; in this case, Return on Equity (ROE). The resultant tree chart enables moving from the high-level, calculated value of ROE on the right to more specific, often counted or measured values on the left. This same kind of chart can be developed for any or all of the financial indicators used by the organization. Doing so leads eventually to the operational domain. The operational domain is best expressed in the form of process diagrams. Many if not most organizations have mapped or begun to map their processes and their process architecture so no treatment of these will be undertaken here. However, there are also operational measures that mix in financial measures.

**Figure 10** (p. 21) presents a model of the load rate calculation used to determine internal charge-backs for a division providing operational support to programs within a testing organization. Mapping these kinds of measures is aided greatly by the organization’s chart of accounts. The operational domain leads to the behavioral domain, to the performance of people.

**Figure 11** (p. 22), the GAP-ACT or Target model, is useful in analyzing and understanding human behavior. It depicts people as purposeful entities pursuing goals and adjusting their behavior to counter the disturbances to the targeted variables they seek to control. Again, whether you use this model or one of your own or of someone else’s making, some kind of model of human behavior and performance is essential to reliable analysis, diagnosis and intervention.

**Get good counsel.** Unless you’re a first-rate change agent yourself, you are well-served by getting some good counsel in that regard. That doesn’t mean hire a big-time consulting firm but it might mean finding
and hiring a competent consultant who knows a thing or two about change management. If you’ve got such a person on staff, that’s good but beware “internal” blinders and watch out for “self interest.”

**Use a mix of change management strategies.** There are several change management strategies available to you (see Figure 12 on p. 23). Rare is the situation in which one will do. Rarer still are two situations that require exactly the same mix. Get in the habit of thinking about a mix of strategies and in figuring out what kind of mix applies to a particular change. Listed below are some of the factors to be considered in selecting and configuring your change management strategies:

- Scope and scale of the change
- Degree and intensity of resistance
- Size of the target population
- Size of the stakes
- The time frame
- Available expertise
- Direction of dependency
- Degree of urgency

**“Share, Share, Share; Listen, Listen, Listen.”** It is commonplace and tempting to invoke the well-worn mantra of “Communicate, Communicate, Communicate,” but, sadly, it all too often amounts to little more than “Broadcast, Broadcast, Broadcast.” Get in the habit of having various kinds of interactive sessions (e.g., brown bag lunches, town hall meetings, diagonal slice staff meetings, etc.). That means listen and listen carefully. Get in the habit of sharing the kind of information that under other circumstances you might not share. Remember: people can handle good news and they can handle bad news but, in the absence of any news, imagination will soon set to work on the worst case imaginable. Keep people in the know; don’t leave them in the dark or hanging in suspense. Most important: Listen. Listen past the gripes and fears and the occasional toadying. Listen for ideas and insights and information about what is and isn’t working; what else needs to change and what should stay the same; listen for what people are trying to get you to understand.

**Do some homework and get connected.** You no doubt already know a great deal about change management and what you know is probably somewhat dated. Get a staffer to do a review of the literature for you; find out what’s new and what’s working. One way of getting started with your homework is to scan the change management bibliography located at [http://www.nickols.us/change_biblio.pdf](http://www.nickols.us/change_biblio.pdf). Another is to take a look at an article titled “Change Management 101: A Primer,” located at the following link: [http://www.nickols.us/change.pdf](http://www.nickols.us/change.pdf). You should also connect with others wrestling with the same or similar problems; find out what they’re doing and what’s working for them. Bring in some knowledgeable speakers; start educating everyone. You don’t have to become an expert in change management but you do need to know enough about it to keep someone from blowing smoke your way.

**Break down boundaries and don’t stand on formalities.** In hard times, everyone needs to be concerned about everything. Consider a Navy ship. In peacetime, the officers pretty well run the ship as they please (or at least they like to think they do). In wartime, the skipper knows darn well he needs his
chiefs and other senior petty officers because they are the ones who actually “fight” the ship – and they’re the ones who make sure it’s in shipshape, fighting condition. And, *in extremis*, there is no room for formality. So, loosen up, lighten up and enlist the support and commitment of your crew. And remember this: You can’t command respect or support or commitment, you can only earn them, and that starts by getting to know your crew and them getting to know you.

*Don’t make slashing staff your first move.* If you can’t do any of the things above, then another naval analogy will do. Picture this: You’ve been caught up in a terrible storm and the best you can hope for is to maintain headway and pray you don’t run out of fuel or get caught by a really, really big wave. In short, all you can do is batten down the hatches and try to ride it out. You don’t need change management for that but you do need a loyal crew. And if your first response to the storm is to toss some of your crew overboard those who are left just might abandon ship on their own. Unfortunately, they will most likely be the very ones you need to keep your ship afloat and they will take their know-how with them. Besides, payroll savings can be had without slashing staff.

Consider a company with 2,000 employees with an average salary of $75,000 including benefits. Total payroll is $150,000,000. To cut costs the company plans on laying off 200 people or 10 percent of its workforce. That reduction in staff yields a $15,000,000 reduction in costs. An across the board pay cut of 10 percent will produce the same cost savings and no one loses his or her job. If this is also an opportunity to eliminate excess staff, a better question is how did you get overstaffed in the first place? If this is an opportunity to eliminate the “deadwood,” how did they get on the payroll in the first place? If this is an opportunity to achieve an increase in productivity, there are far better ways than making 1,800 people do the work that 2,000 people used to do. Making people work harder is easy; helping them work smarter is harder but has a much bigger payoff. And, remember this: Those who get to decide who goes and who stays will be sure to keep their pets and favorites and those just might be the ones who should go.

*Refocus and reallocate resources.* So what do you do if you don’t get rid of people? You refocus and reallocate resources. This applies to budgets and people. As far as people are concerned, this amounts to getting rid of jobs but keeping people. Rethink your priorities. Start by focusing on the customer and on your company’s processes. Customers are the source of revenue and processes are your means of delivering value to them. Both can benefit from renewed attention and increased resources. Move some staff into sales or customer service and put some to work on process improvement. Tackle those projects that have been waiting in the wings. Rebalance workloads and empires. Realign budgets to fit with new priorities.

*Manage the emotional reactions to change.* The emotional reaction to change takes two basic forms: Grief and Jubilation. Both can be deadly. In hard times, grief is more likely than jubilation. Kubler-Ross’ work with the grieving cycle provides some interesting insights into the way people respond to disruptive change (see *Figure 13* on page 24). That cycle represents what might be called a “natural” cycle or process; people pretty much work through it on their own. In organizations going through hard times it is unlikely that death is literally an issue and so the cycle is somewhat different. More important, it is or should be a managed process (see *Figure 14* on p. 25). It is important to help people (and get help for
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yourself) in getting through that cycle as quickly and sanely as possible. Don’t bog down in shock and despair; don’t wallow in denial; don’t spend a lot of time venting your anger; and don’t get locked into bargaining. Get on with it.

There is also a positive change cycle (see Figure 15 on p. 26). It, too, contains a risk; namely, that people will rush to embrace the change and go running off a cliff like lemmings. The point: don’t be over exuberant.

The most important point to be made here is that you have to acknowledge the emotional aspects of change – in hard times and in good times. Don’t try to sweep them under the rug.

Engage and involve your people. There are numerous studies showing that engaged employees are far more productive than unengaged or disengaged employees. Engaged employees are those who care about their company, their co-workers and their futures with the company. Unengaged employees don’t. Disengaged employees are negative. The importance of engagement ties to what is called “discretionary productivity” and that ties directly to energy expenditures by employees.

Figure 16 (p. 27) contains a simple diagram showing how employee energy expenditures can be more or less productive. In essence, productive energy expenditure is what you get after subtracting wasted energy, unexpended energy, and energy held in reserve from available energy. Employees control much if not most of that difference.

Employee control of their own energy expenditures is reflected in Figure 17 (p. 28), which shows that discretionary productivity is in the hands of employees, not management. In large measure, then, the key to sustained and improved productivity and performance in hard times lies in finding ways to engage employees and in avoiding things that lead to disengagement.

Hone your political and your people skills. In the best of times, change management requires a diverse array of skills:

- Political skills
- Analytical skills
- Business skills
- System skills
- Process skills
- People skills

In hard times, the core issue for many people is personal survival. Fear and determination combine to make politicians out of just about everyone. Moreover, the politics are fierce; bread on the table, family well-being, mortgage payments and futures are at stake. Further, innocent moves can be viewed with suspicion and the meanest of motives attributed to the most straightforward of actions. In short, the environment can become treacherous, a shifting quagmire of political games, alliances, deceit, character assassination and pre-emptive attacks. In this environment, you need to forge strong relationships with
strong players and also with people you can really trust. Although all skill sets are important, in hard times, it is your political and people skills that will prove most valuable. Hone them both.

**Tend to all your stakeholders.** The need to be seen as competent drives people to focus on satisfying or placating one or a smaller set of key stakeholders. This plays out in different ways at different levels of organization. At the C-level, the key set of stakeholders might be the board members or large stockholders. Lower down, the key stakeholders become your boss and probably your boss' boss. Peer relationships and internal customer relationships will suffer because only your boss' view matters (unless, using your newly-honed political skills, you can do him/her in and get the job yourself). It might be the case that some unit leaders will band their people together to defend and protect their unit but they will still have to play the political game. Politically speaking, the smart thing to do is to tend to all your stakeholders. Stakeholders put something into an organization and they get something out of it. Investors, for example, provide capital and they get (or hope to get) a return on that investment. Employees put in time, energy and ideas and they receive compensation in return. Suppliers and customers are also stakeholders. This quid-pro-quo arrangement between a company and its stakeholders is known as a contributions-inducements relationship. Use this contributions-inducements framework (shown in Figure 18 on page 29) to identify your stakeholders and get clear about the nature of the contributions-inducements relationship with them.

**Encourage Divergent Views.** In hard times, people are feeling much less secure than in good times. As a consequence, they are less likely to speak up let alone speak out. Moreover, managers and execs whose style might be termed directive, now run the risk of stifling dissent or divergent views at precisely the time they are most needed. In hard times it is important to regularly and sincerely encourage the expression of divergent views. Be advised that at least some employees will put this to the test, perhaps by expressing a view that is completely opposed to an action being contemplated. Their aim is not to press the perspective they raise but it is instead a way of checking to see if you really mean it when you say you want them to express their views.

**Is there more?** Of course there is. But this is as far as this particular paper goes.

**About the Author**
Fred Nickols is a prolific writer and seasoned consultant with several years of executive experience. He specializes in improving the performance of people, processes and organizations, all of which require a solid grasp of change management concepts, principles, methods and techniques. He maintains a web site at [www.nickols.us](http://www.nickols.us) and his many articles can be accessed at [www.skullworks.com](http://www.skullworks.com). He can be contacted via email at fred@nickols.us.
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<table>
<thead>
<tr>
<th>Do We Want It?</th>
<th>Do We Have It?</th>
</tr>
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<tbody>
<tr>
<td>Yes</td>
<td>Yes, Achieve</td>
</tr>
<tr>
<td>No</td>
<td>No, Preserve</td>
</tr>
<tr>
<td>Yes</td>
<td>Yes, Avoid</td>
</tr>
<tr>
<td>No</td>
<td>No, Eliminate</td>
</tr>
</tbody>
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Figure 2 - Strategy & Execution

- **Strategy**
  - Flawed
    - Doomed from the Beginning
  - Sound
    - A Botched Job

- **Execution**
  - Flawed
    - Flirting with Disaster
  - Sound
    - A Fighting Chance
Figure 3 – Organizational Elements
Figure 4 – Open System Model

SUPPLIER(S)  PRODUCER  CUSTOMER(S)
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Figure 5 – Enterprise Model
Figure 6 – Performance Architecture
Figure 7 – Domains of Performance
Figure 8 – Performance Pyramid
Figure 9 – ROE Model

Net Sales
minus
Cost of Sales

Gross Profit

Selling Expense
plus
Admin Expense
plus
Other Expense

Net Profit Before Taxes

minus
Operating Expense

Return on Equity
divided by

Current Assets
plus
Fixed Assets

Total Assets

Shareholder Equity

minus

Current Liabilities
plus
Fixed Liabilities

Total Liabilities
Figure 10 – Load Rate Model
Figure 11 – GAP-ACT Model

The Performer

The Situation

G

C

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i
Figure 12 – Change Management Strategies

- **Rational-Empirical**
  - Persuasion based on communication and incentives

- **Normative-Reeducative**
  - Redefining norms and values, and developing commitments to new ones

- **Power-Coercive (Directive)**
  - Exercising authority and imposing sanctions

- **Environmental-Adaptive**
  - Shifting the burden
Figure 13 – A Natural Cycle

- The Event (Shock)
- Anger
- Denial
- Bargaining
- Depression
- Acceptance
- Plane of Emotional Stability

Active

Passive
The Event (Shock)

Active

Fear

Denial

Jockeying

Passivity

Anger

Commitment

Passive

Figure 14 – A Managed Cycle
Figure 15 – A Positive Cycle

- Positive Optimism
- Informed Pessimism
- Informed Optimism
- Completion
- Uninformed Optimism
- Over Exuberant

Positive  
Negative

Attitude
Figure 16 – Energy Equations

\[ Et \text{ (Total Energy)} \]

\[ Er \text{ (Energy Reserves)} \]

\[ Ea \text{ (Available Energy)} \]

\[ Eu \text{ (Unexpended Energy)} \]

\[ Ee \text{ (Expended Energy)} \]

\[ Ep \text{ (Productive Energy)} \]

\[ Ew \text{ (Wasted Energy)} \]
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Figure 17 – Discretionary Productivity

Employee Performance & Productivity

Max

Min

Controlled by the Employee

Discretionary

Current

Controlled by Management
Figure 18 – Stakeholder Model