Managing Change – Definition und Phases in Change Processes

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Introduction

If you ask employees what they think about change, you will normally find that most people have negative attitudes and perceptions towards change. They have fears of losing their job, their status or their social security, or they are afraid of a higher workload.

In many cases, first effects of change on employees, leaders, and on performance levels are negative. These effects include fears, stress, frustration and denial of change. Most employees tend to react with resistance to change rather than seeing change as a chance to initiate improvements. They are afraid of losing something, because they have incomplete information on how the change processes will effect their personal situation in terms of tasks, workload, or responsibilities.

If chance processes lead to redundancies, those who "survived job cuts" still have a negative attitude towards change. One reason may be that they now face additional tasks and responsibilities. Some people may feel guilty for still having their job while others became unemployed. Such emotional reactions may cause additional stress in the changing organization.

Managers need to keep in mind those negative side-effects of change initiatives in order to achieve the expected positive results. The success of change projects depends on the organization's ability to make all their employees participate in the change process in one way or the other.

Definition

Change management means to plan, initiate, realize, control, and finally stabilize change processes on both, corporate and personal level. Change may cover such diverse problems as for example strategic direction or personal development programs for staff.

Change is the continuous adoption of corporate strategies and structures to changing external conditions. Today, change is not the exception but a steady ongoing process. On contrast 'business as usual' will become the exception from phases of turbulence. Change management comprises both, revolutionary one-off projects and evolutionary transformations.
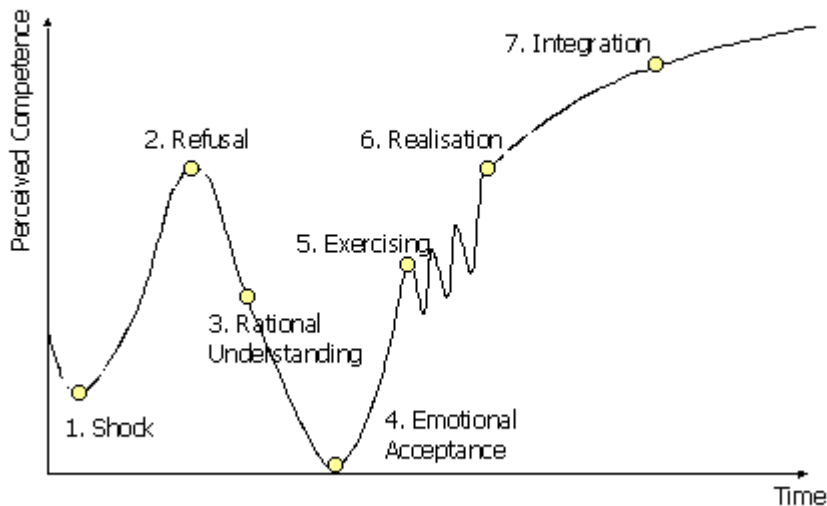
Hence, there are two types of changes:

1. Organizational Development. This is the more gradual and evolutionary approach to change. It bases on the assumption that it is possible to align corporate objectives with the individual employees objectives. In practice, however, this will rarely be possible.

2. Reengineering. This is known as corporate transformation or business transformation. It is the more radical form of change management, since it challenges all elements of processes or structures that have evolved over time.

Phases in Change Processes

In order to successfully manage change processes, it is necessary to analyze the phases of this process. Managers need to know in which phase they have to expect what types of situations and

problems. Most successful organizations are those that are able to adjust themselves to new conditions quickly. This requires planned learning processes that lead to improved organizational effectiveness. Ideally, employees are able to reflect their own behavior in relation to the organizational context (e.g. processes, products, resources, customers).

Normally, people perceive change processes in seven typical stages.

The seven phases of change can be described as follows:

Phase	Description
Shock and Surprise	Confrontation with unexpected situations. This can happen 'by accident' (e.g. losses in particular business units) or planned events (e.g. workshops for personal development and team performance improvement). These situations make people realize that their own patterns of doing things are not suitable for new conditions any more. Thus, their perceived own competence decreases.
Denial and Refusal	People activate values as support for their conviction that change is not necessary. Hence, they believe there is no need for change; their perceived competency increases again.
Rational Understanding	People realize the need for change. According to this insight, their perceived competence decreases again. People focus on finding short term solutions, thus they only cure symptoms. There is no willingness to change own patterns of behavior.
Emotional Acceptance	This phase, which is also called 'crisis' is the most important one. Only if management succeeds to create a willingness for changing values, beliefs, and behaviors, the organization will be able to exploit their real potentials. In the worst case, however, change processes will be stopped or slowed down here.
Exercising and	The new acceptance of change creates a new willingness for learning. People

Learning	start to try new behaviors and processes. They will experience success and failure during this phase. It is the change managers task to create some early wins (e.g. by starting with easier projects). This will lead to an increase in peoples perceived own competence.
Realization.	People gather more information by learning and exercising. This knowledge has a feedback-effect. People understand which behavior is effective in which situation. This, in turn, opens up their minds for new experiences. These extended patterns of behavior increase organizational flexibility. Perceived competency has reached a higher level than prior to change.
Integration	People totally integrate their newly acquired patterns of thinking and acting. The new behaviors become routine.

Only if change managers understand these phases of change, and only if they act accordingly, they will be able to successfully manage change processes without destroying peoples motivation and commitment.

Our description of the seven phases of change is adapted from:
Colin Carnall Managing Change in Organizations. and
Claudia Kostka & Annette Moench Change Mangement – Sieben Methoden für die Gestaltung von Veränderungsprozessen.