



Enterprising Rural FamiliesTM

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“Managing Change in Today’s Business Climate”

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Today, businesses big and small, public and private, domestic and global find themselves in an era of paradigm shift when a set of assumptions no longer applies and must be replaced. The recent remapping of the world, the emergence of new players on the global scene, and the explosion of technology have created new circumstances to which businesses are learning to adapt. They are responding by adopting new management philosophies and following new methodologies in order to bring about organizational change.¹

Organizational change means moving from an old way of doing things to a new one that will bring positive outcomes. The transition may be difficult, even painful. According to consultant and Columbia University professor W. Warner Burke, an important part of this change management lies in recognizing and accepting the disorganization and temporary lowered effectiveness that characterize the transition.² Both management commitment and employee support are critical to the success of the desired change.

A major change will inevitably disrupt the work environment. In order for a business and the individuals composing it to continue to function during the disruption, it is essential to plan the change carefully and to align the three elements that make up an organization: the product or service, the human factor, and the culture. Looking beyond the actual transition, business leaders today are also aware that change and its management are not a simple, one-time process but a permanent upheaval to which businesses can adapt only by keeping an open mind and staying in a permanent learning mode.³

How Do You Know if You Need a New Direction?

“Now, wait just a minute. We already have a sense of direction in my business. We’ve gotten along fine to this point. What makes you think we need a new direction?”

You may be correct, but it might be worth a little reflection to see if the time has come to develop a new direction and vision. According to Burt Nanus, author of *Visionary Leadership*, there are warning signs:

1. Is there evidence of confusion about the purpose of the business?
2. Does your family or employees complain about insufficient challenge or say they’re not having fun anymore?
3. Is the business losing market position, legitimacy, or its reputation for excellence?
4. Does your business seem out-of-tune with trends?
5. Are there signs of decline in pride within your business?
6. Is there an absence of a shared sense of progress or momentum?
7. Is there a hyperactive rumor mill, with people constantly trying to find out through the grapevine what is in store for the business?⁴



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TIP OF THE MONTH:

FUNCTIONS OF MANAGEMENT

Business managers should expect to perform several functions:

- Planning—developing the business purpose, philosophy, goals, and strategies.
- Organizing—establishing a system of roles and relationships to achieve business goals; dividing the work to be done, defining units (e.g., ranches, departments, crews, jobs) responsible for portions of it, and providing a means of coordination among them.
- Staffing—attracting, developing, and retaining people able and willing to perform the jobs as organized.
- Leading—directly influencing people and facilitating their work, generally through interpersonal communications.
- Controlling—Assessing results against objectives, seeing what was actually done compared to what had been planned, and taking corrective action where required.

(Source: *Ag Help Wanted*)



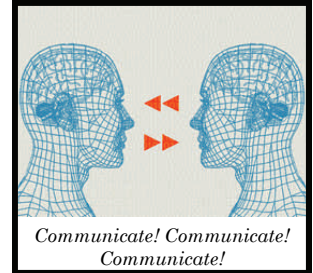
Continued from page one – “*Managing Change in Today’s Business Climate*”

If you see one or a few of these warning signs in your business, then it’s possible that the existing direction or vision is no longer persuasive or inspiring to people.

Methods for Building Commitment to Change

A manager of change in a business must:

1. Be sure the people who are involved in planning the change agree on goals, objectives, design, responsibilities and costs.
2. Be prepared. Evaluate the forces for and against change and use the positive forces to build support and develop a strategy for addressing the negative forces.
3. Meet with key family and employees to discuss the goals and design of the change.
4. Have the owner, manager, leader tell all employees about the change and express support for it.
5. Communicate, communicate, communicate.
6. Focus on and publicize a few visible early successes in the business change process.⁵



Strategies for Change

David Carr and Ian Littman in their book, *Excellence in Government*, identify three sequential strategies for implementing change, **Wedge, Transition, and Magnet**.⁶

The first strategy—**Wedge**—focuses on convincing those affected by the change that the status quo is no longer viable. This strategy moves people away from the current state, the comfortable, by:

- Explaining the problems and opportunities facing the business.
- Validating the history of the people and the business.
- Presenting a positive view of the change, the future, and optimistic consequences for individuals.
- Specifying the necessary changes by sharing as much detail as possible.
- Making it more difficult to maintain the status quo by increasing consequences for following the old way.

The second strategy—**Transition**—occurs when the business initiates actions to provide structure, guidance, confidence and trust in the change, while encouraging forward momentum. This strategy includes:

- Continuing to reinforce the benefits of the after-change state and remind employees why the change is necessary.
- Involving members of the business in planning actions for the change.
- Allowing employees to vent their fears and concerns in a safe environment and then taking action to address those concerns.
- Focusing attention on the future rather than the past.
- Rewarding those who support the change and putting pressure on those who do not.

The third strategy—**Magnet**—draws people away from the transition and into the new condition. Actions reaffirm the acceptance of the future and confirm its legitimacy. In this stage, tactics include:

- Showing commitment to the future.
- Increasing rewards and decreasing the effort necessary to stay in the changed condition.
- Monitoring the change over time to assure that it remains in place.⁷

Overcoming Resistance to Change

“People don’t resist change, they resist being changed.”⁸

People and businesses attempt to maintain equilibrium. Where there is a force for change, there is an equal force against. Resistance, when consciously chosen, is healthy. It can provide a sense of security, stability, and predictability. Resistance should be respected, not seen as alien and needing to be destroyed. Dealing with resistance is dealing with the integrity of a person or business. It needs to be done with care, humility, and respect. The basic way to deal with resistance is to value and respect its existence. Help the person or business to be aware of and learn from its existence.⁹ When working with resistance, it is important that the manager be concrete and specific about what behavior, or attitude, is wanted from the resister. Steps that help include:

- Making it safe to express resistance.
- Honoring the resister’s feelings.
- Exploring and learning—understand, explore implications and outcomes.

What does not work is :


- Breaking down resistance by threatening or coercing.
- Avoiding it by deflecting or inducing guilt.
- Discounting it by dismissing it as unimportant.

Complex changes in social, economic, political and natural environments require that business owners/managers obtain new perspectives and skills that will allow them to function comfortably and effectively amid these complex changes.

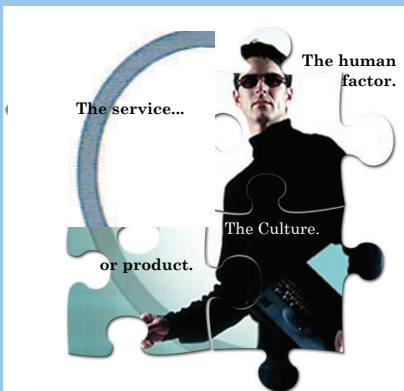
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