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Five steps for a successful company restructure

Fight, Flight or Freeze – Why Our Brain Blocks Change Projects

Summary: Restructuring allows companies to adapt to changing markets. Progress through change. The other side of the medal is this: During the efforts to reorganise productivity often plummets. Staff calls in sick; top employees hand in their notice and leave. Experts have a surprising explanation for these “side effects” of change: The human brain cannot cope with such comprehensive change. It just switches automatically into “alarm mode”. Employees respond on instinct: flight (call in sick or leave), fight (aggressively impede the project) or freeze (inner migration, work-to-rule). With the following five steps organisations can deal with these inevitable as well as dangerous instinctive responses.



A short message from the executive board just before Christmas: The corporate’s Human Resources Department will be “remodelled”. No word about what the more than 250 employees can expect, how tasks, competencies, processes and responsibilities will be tailored. Just the announcement of a coming change project. “We waited for more than half a year for more detailed information”, reports a staff member. A war of nerves. At the beginning some staff tried to save their projects. Then work lay abandoned in reams of files; just the absolutely necessary work was done. “Some colleagues were sick for weeks, top employees left in anger”, says a staff member, “and a lot of the others did not dare to tackle even routine tasks just to avoid making mistakes.” In the end it took one and a half years before this department was running smoothly again.

Restructuring enables companies to adapt to their changing markets. Change projects are meant to quickly re-form the organisation and make it more profitable. Often a drastic cure with drastic side effects. During the organisational restructuring work comes to a standstill. Productivity decreases; some departments only reach their normal performance levels after one or two years. The problem is that employees experience abrupt change as an

News-Service

Change Management

- Ideas & Content for Editors –

existential threat. This triggers a stress response over weeks which leads to fear, aggression and lethargy.

„Stress responses are hard wired into our human brain“, explains Tina Hiller, expert for change management at the consultancy “next level consulting”. People who feel threatened respond with one of the three physically determined instinctual stress behaviours: They switch into aggression mode, they flee or they freeze. This is perfectly normal behaviour – but pure poison for productivity, employee health, social company climate, the quality of work and the loyalty of staff. “That is why we deal with these instinctive responses in a clever way,” reports Tina Hiller from her own consulting practice, “We try to take the burden of fear from the brain and to support staff members in dealing with the stress.” She describes the five steps that make her change projects work:

Step 1: Reduce the number of change projects

Some companies can be compared to permanent construction sites. As soon as one restructuring process is finished, the next one follows. Many employees have been left behind long ago. They continue to work in their habitual way as the next change project is waiting to be rolled out. Experts call this change fatigue. Tina Hiller recommends a three point programme: Reduce the number of change projects, work through the remaining projects strategically according to priorities, explain the strategy behind the change programme to your organisation – and show them where the journey is going.

Step 2: Create transparency

Employees want to get their bearings around over-all strategy as well as concrete, upcoming change projects. That is why companies should inform staff about change as soon as possible and as comprehensively as possible. “Such a bigger picture of planned measures offers staff much needed orientation during restructuring efforts”, explains Tina Hiller and warns of keeping this bigger picture either too general or too detailed. If management keeps the bigger

News-Service Change Management

- Ideas & Content for Editors –

picture too vague, staff will miss a framework to hold on to. If the changes are formulated in too many predefined parts, there is little space for staff to creatively engage with the change and the individual employee feels excluded from the process of designing the change. “At this point executive leadership and the change leader should aim for a good balance”, says the expert.

Step 3: „Work“ with the fear

For company restructuring the experts distinguish between project management and change management. Project management develops the change and implements it. Setting up a new framework for processes or a new structure of the organigram for example forms part of this. Change management is different. It supports staff through the change: With which measures can the organisation meet the employee’s instinctual responses? What can be put in place to prevent decreasing productivity, increasing staff turnover or aggressive resistance to change? Some experts consciously separate project management from change management and drive each process separately through its own project. No one has to go that far. But it is important for an organisation to be clear about the fact that successful restructuring rests on two pillars – professional project implementation and an array of support measures for staff to manage change on a personal level.

Step 4: Prepare staff for the transition

(Re-)Learning takes energy. „For example drivers who have to switch from European right-hand traffic to British left-hand traffic know of this kind of effort that is needed”, explains Tina Hiller. That is why employees need time and a programme in which they can practice new processes and gain confidence. Change experts don’t just train staff for example in working with new software or other new work tools. They role play whole work processes with staff and practice complex interactions.

News-Service

Change Management

- Ideas & Content for Editors –

Step 5: Offer space for reflection

Just training new work routines is not enough to successfully engage employees with the change. “We boost our change projects with additional offers”, explains Tina Hiller, “Employees are given opportunity to personally deal with the change.” For example: Organisations offer the opportunity for personal reflection to staff. Employees speak about their situation and find answers to questions that are weighing on their mind: What does the transfer to another location imply? How to deal with fears of failure and the discomfort of leaving behind the familiar circle of colleagues? It is important that these sessions are facilitated by professionals. Fear must not hamper the conversation. The focus should always be on solutions and on the future. “These conversations can happen in one-on-one coaching, in small teams but also in big groups”, explains Tina Hiller, “Such reflective spaces are well suited to help staff exit the mental stance of alarm and break dangerous stress behaviours.”

About next level consulting:

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