

Managing Organizational Change from the Middle

by

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Executive Overview

Competitive economy demands for greater organizational agility and change. Organizational changes, especially enterprise-wide changes, have costs, risks, and expected outcomes. They demand resources, time, energy, and commitment. So they must be managed as well as led. Middle managers play crucial roles in managing organizational changes in enterprises; and it is wise for companies to invest in training these people to become effective change managers.

Middle Managers and Organizational Change Management

Middle managers are those who are responsible for the day-to-day planning, development, coordination, and monitoring of work activities at the operating unit level of an enterprise. It is these people whose decisions and actions have the most impact on how well changes flow through an enterprise. They manage the absorption of changes by nurturing an organizational climate friendly to change ideation. They engage in evaluating and weeding out relevant change ideas from irrelevant ones. They take the lead in launching change projects that they believe in. They share best-practices with peers whose units are going through similar changes and using feedback to benchmark and adjust their own change efforts. And they contribute to the institutionalization of promising changes throughout the enterprise.

This paper summarizes five key change management roles middle managers perform often observed at the companies I've worked for in the last 20 plus years. Effective managers perform these roles well and ineffective managers don't. Traditional training programs for middle managers tend to focus on the functional and project management aspect of their jobs. There is limited focus on organizational change management training. Middle management training programs can be improved with the

addition of organizational change management.

Understanding the Organizational Change Adoption Life-cycle

Change adoption spreads through an enterprise in a pattern similar to that of the technology adoption life-cycle (Figure 1) [1], moving from Innovators to Laggards. Change innovation, or ideation, is where the need for change is identified, the initial change idea is formulated, and a call for change is raised. Early adoption is where a change idea first received in-depth attention by the organization, with consideration for the organization's need to change and ability to change. Early adopters are operating units that recognize both the importance and urgency of adopting a change. They are willing to take the necessary risks and costs, and to commit the necessary resources and supports early on to

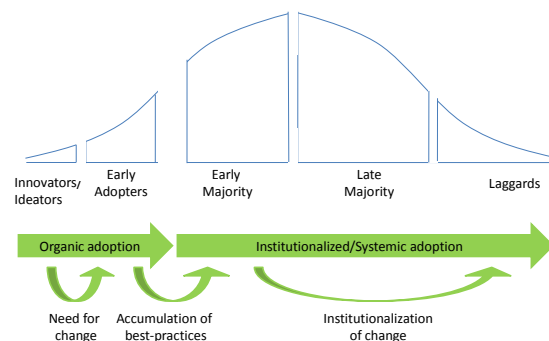


Figure 1. Change Adoption Life-Cycle within an Enterprise

implement the change.

Early majority is made up of operating units that recognize the importance of a change similar to the early adopters. However, these units do not see the urgency of making the change. They prefer to “wait and see” how the change materialized within other units first, before considering adopting it in their own units. Late majority adopts a change as part of an institutionalized change program. Operating units who fall into this category expect the change to come fully packaged with education, trainings, support staff and infrastructure to ensure minimal cost and risk to the units. Laggards are units that adopt the change only when it is a mandate from the top. These units see little technical merit or payoff in adopting the change except to ensure conformance to corporate standards and practices. It is the

existence of the cracks between these five different groups that makes the role of the middle manager critical in managing change.

An effective unit manager plays five change management roles concurrently. As *Change Cultivator*, he or she fosters an organizational climate that is conducive to change ideation; as *Change Appraiser*, defines how the organization will respond to a proposed change; as *Change Leader*, leads the preparation and implementation of the change; as *Change Collaborator*, works with managers from other units to develop and share best-practices and gets support during the change process; and as *Change Contributor*, helps the enterprise with institutionalizing the change.

Manager as Change Cultivator

The seeds of change in organizations often germinate from a personal concern or dissatisfaction with the status quo. However, transforming personal concern and dissatisfaction into a call for change is challenging. Raising issues that point out organizational deficiencies or dysfunctions is often not a popular act, as it sometimes threatens the upheaval of established norms. This is especially true when the organization in question is perceived by others as doing well. Calling for change demands courage and commitment from the callers to overcome the pressure of organizational conformity. Middle managers play a crucial role in cultivating changes in organizations. They understand that despite the uncertainty and anxiety that organizational change brings, it is an essential component in an organization life. Instead of avoiding it, effective managers seek out change. Through words and deeds, they work to strengthen the organization's understanding and acceptance of change, and its ability to recognize and capitalize on change opportunities. They cultivate organizational climates that welcome and foster change ideation.

Common actions middle managers take as change cultivators include:

- Educate their organizations about the value of change, as well as stability
- Make change idea solicitation a normal part of their managerial work
- Hold regular organization effectiveness reviews
- Formalize the change ideation process

- Incentivize and celebrating participation in the change ideation process
- Protect those who are willing to raise issues and suggest changes
- Reward those whose change ideas lead to successful organizational improvements
- Demonstrate a low tolerance for those impeding others from raising issues and suggesting changes
- Play the role of change historians and storytellers, ensuring that the organization is reminded of the contribution of past changes to its present success.

Manager as Change Appraiser

In addition to the truism that the only thing that is constant is change, there are two other equally important truisms about change: One, not all changes are equally worthy of pursuing; and two, an organization can only handle a limited number of changes at any given time. Calls for change can come to an organization from any direction at any given moment. And when the organization is under performing calls for change come in torrents. Determining which change ideas to reject and which to accept is another important change management function for middle managers.

The relevancy of a call for change is often difficult to decipher. Each call is compelled by a combination of explicit and implicit technical, political, psychological, social and emotional commitments in the part of the proponents of change. For instance, the concerns raised by change proponents may reflect personal impressions of, rather than actual, organizational situations. Similarly, resistance to change can be equally complex to decipher, as the technical arguments against change are sometime clouded by human's natural aversion to organizational uncertainty and anxiety. Ineffective managers tend to succumb to the pressure of either proponents or resisters of change without giving the underlying issues adequate due diligence. When they prematurely succumb to the pressure of change proponents, these managers often commit the organization to potentially costly, risky, and even irrelevant changes. When prematurely succumbing to the pressure of change resisters, these managers often missed critical opportunities to transform their organizations to ensure their long-term survival. Effective managers resist the temptation to reject or accept change prematurely. They implement a

consistent and objective change appraisal process, which are composed of at least three activities: (1) understanding the change, (2) determining its relevance to the organization, and (3) evaluating their own readiness to commit to the change.

To counter the human tendency to reject the unfamiliar, effective managers make every effort to understand the issues being raised before making any judgment. A proposed change should only be adopted when it is relevant to the organization. The relevance of the proposed change needs to be evaluated along multiple dimensions such as *impact*, *importance* and *urgency*. Exploratory questions that help clarify the nature of the issues embedded in a call for change include:

- What problem(s) does this change intended to fix?
- How urgent is the change?
- What happens if we don't change?
- What is expected once the change is implemented?
- What is the scope of the change?
- What are the potential near-term costs?
- Will the change affect organization functions, practices, processes, structures, or culture?
- Is this change more important than other scheduled changes?
- Who supports the change?
- How can success be determined?
- Where has this change been implemented?
- Who will be impacted, both negatively and positively, by the change?

Because organizational changes are often challenging to implement, unit managers need to take ownership of the process of making change successful in their organizations. No matter where a change idea originates from, it is ultimately the responsibility of the unit manager to make the case for change and to enroll the rest of their organizations to join in the change effort. For broad and deep changes, where the level of resistance to change is often high, enrolling others to support the change effort will not be possible if there is no personal conviction in the part of the unit manager. Only changes that he or she can believe in should be pushed through the organization. The process of committing to a change, goes beyond understanding the nature and significance of the change, i.e., to developing a personal conviction toward the change. Committing to a change is a precondition to leading change.

Common actions middle managers take as change appraisers include:

- Standardize the process of appraising change ideas and proposals
- Involve key participants in the appraisal process
- Keep the organization and upper management aware of the concerns and proposals
- Personally commit to the change before trying to sell it to others
- Announce appraisal decisions publicly, with clear explanation for these decisions

Manager as Change Leader

Unlike a typical project effort an organization engages in to produce products and services, a change project fundamentally affects the organization carrying out the change. A manager as a change leader understands not to start such effort without first securing adequate buy-in from his or her organization. To maximize organizational buy-in, the manager takes deliberate steps to *localize the change*, i.e., making the change idea matter to the organization and tailoring its implementation and transition to align with the organization's ability to absorb changes. Change localization is especially important for top-down mandates where their relevancies to the organization sometime are difficult to recognize. The process of localizing a change often focuses on three specific aspects of a change: (1) the reason for change, (2) the change implementation strategy, and (3) the momentum of the change effort.

Failure to change occurs often because those that need to commit to the change effort don't feel compel enough to do so [2]. To heighten a sense of urgency for change, the manager seeks to inject psychological dissonance into the organization. An effective manager drives what Michael Roberto called a "persuasion campaign" to frame the reason for change in a way that enhances its acceptance. An effective persuasion campaign includes implicit or explicit threat of inactivity. For instance, a manager can induce artificial crises to magnify organizational shortcomings. An effective manager makes sure that the total impact of these shortcomings is felt by the organization in the persuasion campaign.

To maximize the chance of success, effective managers also localize the change effort. Beyond addressing the specific technical aspects of implementing the change, such as project planning, resource allocation, activity scheduling, and progress monitoring, effective managers incorporate measures

to address the political, psychological, social, and emotional issues that are most pertinent to those participating in the change projects. This multidimensional approach to change implementation serves to simultaneously manage the change process, enroll more employee participation, as well as disarm resistance to change. Kotter and Schlesinger suggest that strategies adopted to enhance participation and reduce resistance should include a combination of training, education, communication, participation, facilitation, support, negotiation, co-optation, and coercion[3].

In addition to selecting and deploying the right change strategy, effective managers carefully plan and manage the pace and rhythm of the change transition. Premature dismantling of existing practices, structures, processes, and culture to embrace new change will expose the organization to greater uncertainty and anxiety. Declaration of success too quickly can lead to destruction of the change momentum needed to complete the transition. Failure to complete the change transition can lead to degradation or destruction of organizational morale, capability and performance.

Effective managers are also mindful of the emotional challenges of a change transition. Acceptance of change, especially deep and broad change, does not happen overnight. A manager controls the rhythm of change as an integral part of a change implementation. To build commitment to change, a middle manager deliberately orchestrates a series of small but important change activities, designed not only to advance the change but also to advance the *desire to change*. He or she ensures that the initial set of change activities includes those designed to address the political, psychological, and emotional aspect of the change, as well as advancing the technical aspect of the change. Managers plan their change effort in ways to allow the organization to build up its knowledge, capability, confidence and emotional commitment to the change while making change.

Regardless of the scope and complexity of organizational changes, effective managers take full responsibility for leading their implementations, as it is they who understand the strengths, limitations, and capability of their operating units, and have the managerial skills and authority necessary to marshal the support needed to embark on changing what must be changed, protecting what must be protected, and letting go what must be let go.

Common actions middle managers take as change appraisers include:

- Influence the decision to adopt change and drives the change effort
- Plan, allocate, and monitor of work activities related to change
- Motivate, train, and encourage change participation
- Manage change difficulties, including conflicts and surprises
- Manage the change transition
- Implement change transition rituals

Manager as a Change Collaborator

While previous three roles, Change Cultivator, Appraiser and Leader, are mainly “internal facing” roles, focusing on how middle managers cultivate, appraise and drive changes within their own operating units, the next two roles, Change Collaborator and Contributor, are “external facing” roles, focusing on how they help generate best practices and spread promising changes through the enterprise (Figure 2).

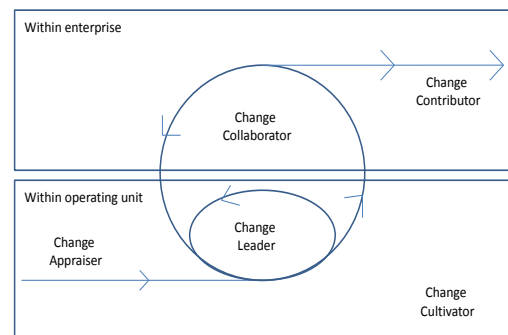


Figure 2. Change Management Roles for Middle Managers

As a Change Collaborator, the middle manager engages his peers who are going through the same change. Collaborating managers share knowledge and experience about the change their units are going through in return for feedback and recommendations from others. They utilize this information to help evaluate and fine tune their own unit’s change effort. The collaboration among the early change adopting units is crucial to develop a bottom-up support infrastructure needed for materializing the change.

An effective manager knows how manage the interaction and relationship with other managers in a way to ensure maximum collaboration and minimum inter-unit conflict. As a collaborator, the manager

refrains from the temptation to directly exert his or her leadership on the change activities of other collaborating units. He or she understands that change efforts among different operating units often vary in form, focus, timing, intensity, and content. This variance reflects the differences among the units in capability, availability, and willingness to support the change. Leading the individual unit through the change process then should remain the responsibility of the unit head. Respecting the boundary of formal managerial responsibility also helps to reduce the risk of unit managers getting entangled in unnecessary territorial fights, yielding more opportunities for genuine inter-unit collaboration.

Common actions middle managers take as change collaborators include:

- Network to build a strong peer-to-peer coalition to support the change effort
- Exchange knowledge and lessons-learned to reinforce best-practices
- Collect data from different units for internal benchmarking purposes
- Perform periodic audit of the progress and quality of the change effort
- Respect formal areas of responsibility to avoid political conflict with peers

Manager as Change Contributor

Once a new change has begun to take hold among early adopting units and that its payoff has been partially realized, the next step in rolling out an enterprise-wide change is to get the rest of the units to start adopting the change. Getting reluctant units to accept the change often requires a top-down mandate, accompanied by a comprehensive change program with a well-established change process and all necessary supports. For the managers who adopted the change early on, their collective leadership is crucial to the spread the change in the enterprise. These managers are contributors to the institutionalization of the change.

Institutionalization of change is the organizational process of preparing a change for widespread adoption. This process includes establishing a formal change program with all the necessary supporting components such as change policies and guidelines, education and training activities, cost and risk assessment tools, communication and recognition processes, and progress tracking and measurements. Institutionalization of change is the key to bridging the chasm between early change adopters and the rest of the organization. Early majority and laggards are

reluctant to accept a change often because they perceive the change is not relevant to their units, that there is no urgency in adopting it, or the cost of implementing it will be too high for their units. Codifying the lessons learned from earlier change efforts helps addressing some of these concerns. Typical items that are codified through the change institutionalization process include change pit falls, best practices, decision points, and workarounds.

As change contributors, these managers act as in-house consultants, trainers, educators, or references. Their experience leading the change in their own units provides deep personal insights needed to effectively contribute to the change institutionalization effort. In addition to the managers, successfully changed units have employees with actual experience implementing different aspects of the change. These employees can be temporarily assigned to work alongside others in new units going through the change.

For many practical reasons, effective managers carefully restrict their roles within the change institutionalization process. Some frame their roles as contributors to the global effort, but not leaders of the effort. First, attempting to lead an enterprise-wide rollout effort can inadvertently divert the manager's attention away from his or her primary responsibility as the head of an operating unit. Second, over-committing to the external change institutionalization process prior to completing the internal change transition can put the unit at risk. Third, unit managers, while having successfully led the change effort in his or her unit, might not have the experience, credibility, and authority to lead an enterprise-wide change rollout, especially when the size and complexity ratios between the unit and the enterprise is of several order of magnitude different. Leading an enterprise-wide change rollout often requires dedicated teams with authority and capability to drive the change across the units. These include dedicated transition teams from within the human resource and employee development organizations, or corporate headquarters formed specifically to lead the particular change effort. And finally, taking the position of a change contributor helps reducing the risk of an inter-departmental conflict between those with formal authority to rollout an enterprise-wide change and the earlier adopters who implemented it.

Common actions middle managers take as change contributors include:

- Contribute to the planning and preparation of the change program using firsthand experience
- Promote the change to the rest of the enterprise
- Serve in the change transition management team
- Contribute to the change program rollout as an advisor, educator, and trainer

Change management training for middle managers

Companies that value change are wise to invest in training middle managers to become effective change managers. In my 20 plus years of leading large-scale engineering efforts for innovative companies such as Motorola, MCI, Northrop Grumman, Boeing, AT&T, DIRECTV, and NDS, I've found that middle managers as a collective group, more than any other groups within the organizations, plays a significant role in organizational change management. Middle managers operate at the junction between their units and the rest of the organization (Figure 3). As unit heads, they affect the bidirectional flow of organizational changes between their individual units and the larger organization. It is through them that change ideas are fostered or hindered. Incompetent middle managers can prevent creative change ideas from blossoming within their units. They can impede the spread of promising change practices beyond the boundary of their units. They can derail enterprise-wide change programs by failing to adopt important change mandates for their units. And they can harm unit productivity by adopting unnecessary changes.

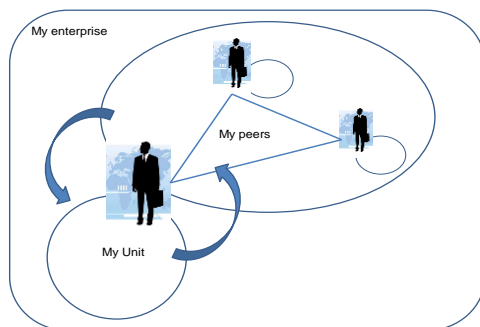


Figure 3. Middle Managers in an Enterprise

A recent change management study published by the Change Management Institute

corroborates this observation [4]. The study based on a 2009 online survey of over 843 executives living and working in Australia, found that the majority of respondents (56%) identified department heads as people who are responsible for leading organizational changes. The study also found that department heads are recognized as the most effective group of employees for delivering organizational changes.

Change management should be a required competency for middle managers. With the increasing demand for change management skills, formal change management training programs have become more available through both academic institutions and professional training organizations. A training program designed to meet the needs of middle management should cover the different change management skills required for effective change cultivation, appraisal, leading, collaboration, and contribution.

Managing change, however, is not an isolated function. It is a part of a larger management process required to support the day-to-day organizational execution. An organization needs to be able to deliver the products and services it is tasked to deliver in spite of changes. Organizational change is not an end goal but a mean to achieve targeted organizational performance improvements. Because the challenge of implementing organizational change, especially disruptive change, it is often not justifiable for an organization to pursue change just for the sake of change. Effective managers have to constantly seek to balance the organization's need for stability and continuity against the need for change. Their ability to manage the flow of change within and between the operating units is central to the survival and success of the enterprise. Change management training, similar to functional or project management training, should be an important component of a comprehensive management training and development program.

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