

# ROLLERCOASTER OF CHANGE™

The Natural Cycles of Life and Change are Natural, Normal and Highly Predictable

By Stephen Haines, Founder and CEO of the Haines Centre for Strategic Management®

## Life is Full of Cycles

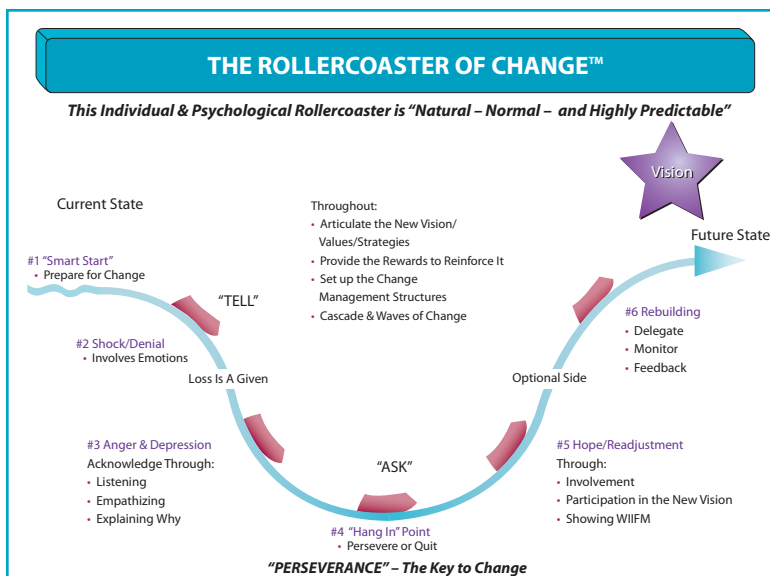
Life is full of natural and normal cycles. They include:

- **Natural Environment** (seasons, day/night, moon).
- **Ages of History** (hunting and gathering, agricultural, industrial, information society).
- **Economic** (bull/bear).
- **Civilization and Empires** (Incas, British, French, Spanish, Japanese, Chinese, Roman, etc.).
- **Life** (birth/death, food chain, growth/decline).
- **Industries** (start-up, maturity, decline, renewal).
- **Travel** (walk, use of animals, boats, wheels, auto, mass transit, flight).

These changes and cycles are natural, normal, and historical facts of life. And change is accelerating—another key fact of life in the 21st century.

## The Reality of Life

However, it is a myth that there is “organizational change.” Change is an individual, emotional, and psychological matter for each of us. The bigger the organization, the more difficult it is apt to be to get everyone



## Rollercoaster of Change™

Whether you are dealing with change at the individual, interpersonal, team, family, organization, community, or societal level, this article describes and explains the key concept of how change occurs, no matter what type of change. This is **THE** main framework **and all** you need to know about the change process..

—Stephen Haines

to change and focus on the customer. Instead, the focus is on oneself alone. Thus, productivity, quality, and other results take a nose dive. Things will almost always get worse before they get better is a fact!

The “Rollercoaster of Change™” is a term we coined a number of years ago for the phenomenon that occurs and is written about in many fields and disciplines, including mental health.

This Rollercoaster is a simple way of understanding the dynamics of how to effect successful change of all types. Cycles of “stability—change—instability—new stability—and change all over again” are normal and natural. Don’t fight them, use them to your advantage!

*Basically, you must manage and lead yourself first, and only then, help others through the*

*four stages of the Rollercoaster. Keep in mind, though, that everyone goes through these stages at different rates, depths, and times.*

## Well-Planned Transition

As a leader of change, you must be extremely well-prepared with

a Game Plan before you give notice and clear expectations regarding your desired changes. Thus, holding a few meetings with a change management specialist/consultant in advance of announcing the change to develop a well-planned “transition management process” is key. It must be so well thought out that it has the precision of military maneuvers if you want to significantly reduce the Rollercoaster effect and keep up morale and productivity.

### STAGE 1: SMART START

Smart Start—Plan—to—Plan Day to get educated, assess the situation, and organize and tailor the change process **before** you begin.

### STAGE 2: SHOCK AND DENIAL

In the first week after announcing the changes, you must be available to others to communicate the desired changes and their rationale—over and over, face to face.

The question is not “if” employees will go through the Rollercoaster, but when, how deep, how long will it take, and *will they successfully reach the other side?* This last question of reaching the other side successfully is quite an issue for most organizations. Executives are trained in the skill of “telling” others what to do. In the Rollercoaster of Change™, telling is only the “skill” of inducing shock, denial, and depression in your employees.

It is a given that each of us will go through the losses associated with Stages 2 and 3 of the Rollercoaster (*Shock and Depression*).

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However, going through Stages 4, 5 and 6 (*Reserving Hope and Rebuilding*) are optional and depend on someone leading the change process effectively.

## Ways to Unfreeze an Organization

As we said, all it takes is for an executive to tell people about the desired change and he or she will induce Stage 2 (*Shock and Denial*) and Stage 3 (*Anger and Depression*) automatically. This takes no particular skill. The key is to help people understand “why” through the following:

1. Share what competitors are doing.
2. Explain your organization’s finances and P/L statement.
3. Share your organization’s vision and future ideal.
4. Discuss changes in the environment that impact the organization.
5. Discuss why there is a need to change.
6. Explain the organization’s Strategic Plans and direction and why they were chosen.
7. Share employee data and problems, such as turnover, etc.
8. Change the roles of key informal leaders.
9. Conduct focus groups of customers and feed back their perceptions and data.
10. Set up task forces to analyze issues and recommend solutions.
11. Explicitly evaluate employees (including senior management) on their buy-in to your desired values.

### STAGE 3: ANGER AND DEPRESSION

The other “Catch 22” of the Rollercoaster is the fact that *once you start through it, you cannot go back and erase what you started.*

#### DEPRESSION

To Help People Through Stage 3:

- 1 Listen.
- 2 Ask questions.
- 3 Empathize.
- 4 Explain the vision and why it is significant (over and over).

Instead, attempting to reverse changes already begun just kicks off another Rollercoaster, only this time from the spot at which

you tried to reverse the process. Since this is usually at Stage 3 (*Depression*), it generally means that the new Rollercoaster will take employees deeper down into depression. Rarely will it get you out of the hole you

are digging for yourself, your firm, or your employees.

What helps people through the depression of Stage 3 is the sequence of managers 1) listening, 2) asking questions, 3) empathizing, and, only then, 4) explaining the vision and why it is significant. Letting people experience first hand the executive decision-maker’s presence and rationale for the change is also crucial.

In other words, depression is normal and to be expected, as is resistance to change. The worst thing an executive can do is to push people or tell them they “*should not feel that way.*” The more you push employees in telling them this, the more they will resist you as well (action-reaction).

### How to Get Your Team through the Change Successfully

Stage 3 (*Anger and Depression*) is a time of high uncertainty and anxiety. Thus managers need to spend a great deal of time assisting all of their employees through this change. Some strategies for helping include:

1. Communicate frequently downward about the changes and change process.
2. Develop feedback mechanisms to hear the employees’ questions and concerns and to conduct two-way dialogues.
3. Don’t react emotionally to employee concerns and resistance. Empathize and understand them first. Let people talk it out. Then try to deal with the underlying issues (i.e., read between the lines).
4. Make sure people have a clear understanding of why the change is necessary.
5. Let people have an opportunity to cross-examine the leader(s) and verify for themselves the necessity for change.
6. Give people occasions to talk through their feelings of loss and detachment from the old ways.
7. Develop a positive climate about the change by evoking a clear and positive “vision” of what the future will look like.
8. Relate the change to employee values.
9. Develop groups and departments into teams that value and recognize the importance of teamwork.
10. Work closely with the informal peer leaders of the organization.
11. Provide employees with an opportunity to increase their learning and compe-

tence about their jobs and about the change.

12. Develop, prior to Stage 1, a well-planned “transition management process.” Communicate about it to give employees a sense of security and knowledge that you are in control and in charge of the changes.

Failure to hang in and persevere is key at this step. It is where change often fails because people can’t stand the pain and emotion and try to “quit” the change, only to have it get worse (a new change curve kicked off from a lower point).

### STAGE 4: HANG IN

The need for hanging in and persevering during the change.

### STAGE 5: HOPE AND ADJUSTMENT

At Stage 5 (*Hope and Adjustment*), you must help clarify each person’s new role and their required new expectations of performance. Then find ways to gain maximum involvement and understanding of WIIFM (What’s In It For Me) by everyone on how it is to their personal advantage to achieve the firm’s new vision and/or values and culture.

The only way through Stage 5 and up the right (and optional) side of the Rollercoaster is through leadership. In other words, you must be Drucker’s “monomaniac with a mission,” having *persistence, persistence, persistence* in implementing, correcting, gaining “buy-in,” and improving the changes as you go. Involving people in some aspect of the change to control their destiny is essential for the adjustment and hope of Stage 3.

*The key is involvement in the “how to,” not the decision on “what.”* The “what” should already have been decided in a participative fashion, such as using our copyrighted Parallel Process and value that “*People support what they help create.*”

#### BUY-IN

Involving people in the change is essential for adjustment, hope, and rebuilding.

*“People support what they help create.”*

## STAGE 6: REBUILDING

### *Refreezing/Renewing and Maintaining Stability/Flexibility in an Organization*

Here you empower the fully committed individuals and teams toward your vision and values.

Stage 6 (*Rebuilding*) highlights the issue of how difficult it is to create a critical mass in support of your desired changes. The importance of not only “buying-in,” but also getting people to “stay-in” throughout the Rollercoaster (and its bottoming out) process is critical

### **Ways to Institutionalize Changes in an Organization (Stage 6: Rebuilding)**

While it may be good to think of institutionalizing change in an organization, the practical reality is that once you institutionalize this new changed state, you will immediately begin to make other incremental changes in response to changing conditions. This continues indefinitely (i.e., continual improvement and/or renewal).

There are ways to ensure changes are successfully completed and maintained. They include the following:

1. Conduct an organizational assessment to see the status of the changes and problems that need improvement in order for the change to reach its full effectiveness.
2. Conduct refresher training courses or yearly conferences on the change topic.
3. Have the basic change improvements as part of senior line management’s goals and performance appraisals.

4. Conduct a reward system’s diagnosis and make appropriate changes so that the rewards (both financial and non-financial) are consistent with the changes.
5. Set up an ongoing audit system and find ways to statistically measure the change effectiveness.
6. Have ways to discuss and reinforce the changes at periodic staff meetings.
7. Set the changes into policies and procedures for the ongoing organization, then have someone accountable for them. Set up permanent jobs to maintain the changes or put the accountability into existing job descriptions.
8. Use a variety of communication avenues and processes for feedback on the changes.
9. Have top line managers conduct “deep sensing” meetings on the subject down into the organization on a regular basis.
10. Have periodic intergroup or interdepartmental meetings on the subject and its status across the organization.
11. Set up a process of yearly renewing and reexamining the changes in order to continually improve upon them.
12. Have outside consultants conduct periodic visits on the subject and assess the status of the changes.
13. Be doubly sure that the top team continues to model the changes.
14. Set priorities and deadlines for short-term improvements to the changes.
15. Look closely at the key environmental trends to be sure they are reinforcing the changes.

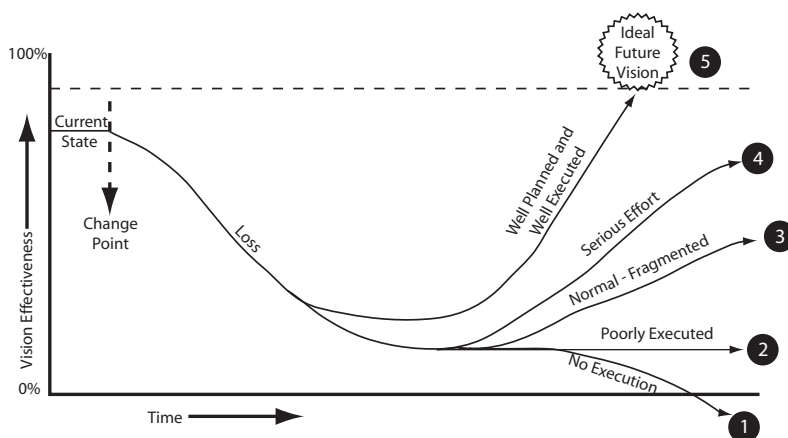
16. Create physical indications of the permanency of the changes (offices, jobs, brochures, etc.).
17. Link other organizational systems to the changes. Encourage specific and formal communication, coordination, and processes between them.
18. Keep the goals and benefits of the changes clear and well known.
19. Assess the potential dangers and pitfalls of the changes and develop specific approaches and plans to minimize those dangers. Be alert to other processes that can negatively affect the change (unintended negative side effects and consequences).

### **Major Uses of the Rollercoaster**

*This Rollercoaster is often called the “Rosetta Stone” of change as it is literally all you need to know about change. While it is a two-dimensional and simplistic representation of a complex reality, it is still all you really need to know about change. All the theories on change we’ve researched and seen follow this same Rollercoaster framework. So, its uses are many. All of these theories and changes follow the same 6 steps just in different terms. Some examples are:*

- **Personal Transitions**—Employee and self-management, in death and dying (*Elizabeth Kubler-Ross*).
- **Stages of Learning**—Learning theory, “what, so what, now what,” questions.

### THE FIVE CHOICES OF CHANGE AND LEVELS OF EXCELLENCE



### The Challenge: 5 Choices

What Stages 4,5 and 6 present are a challenge to your self-mastery and excellence in organizational leadership. The truth is, there are five choices of how these phases can go for individuals, teams, and organizations. Remember, the left side of the Rollercoaster (“loss” side) is a given and the right side (“up” side) is optional.

So, which will it be for you?

- 1 Incompetence: Going Out of Business.
- 2 Technical: Dogged Pursuit of Mediocrity.
- 3 Management: Present and Accounted For Only.
- 4 Leadership: Making a Serious Effort.
- 5 Visionary Leadership: Developing an Art Form.

- **Situational Leadership**—Tell-sell, participate-delegate (*Hersey-Blanchard*).
- **Team Building**—Form, storm, norm, and perform (*Tuchman*).
- **Strategic Planning**—Circular yearly Strategic Management System (*The Centre's A-B-C-D-E*).
- **Core Strategies**—Cost cutting and building strategies, both at the same time.
- **Civilization**—Margaret Mead's "work and the life cycles of dynasties."
- **Change Management**—Unfreeze, change, refreeze, and renew (*Kurt Lewin*).
- **Interpersonal Change**—Inclusion, control, openness, and high performance (*Wil Shutz*).
- **Systems Thinking**—Loss of energy, entropy, running down and then renewal, new energy, and booster shots.
- **Organizations**—Industry start up, high growth, maturity, decline, and renewal.

*A Summary: The Rollercoaster of Change™ (The Natural Cycles of Life and Change)*

In dealing with the Rollercoaster of Change™ the "major questions" you must ask for both yourself and others are:

1. Not if, but when will we go through shock?
2. How deep is the trough?
3. How long will it take?
4. Will we get up the right side and rebuild?
5. At what level will we rebuild?
6. How many different work-related Rollercoasters will we experience at once?
7. Are there other changes occurring simultaneously in our lives?
8. Will we hang in and persevere?
9. How do we deal with normal resistance?
10. How do we create a critical mass for the desired change?

This Rollercoaster is the fourth and final concept in the Systems Thinking Approach® we use at the Centre, based on fifty years of rigorous scientific research by general sys-

tems theorists from interdisciplinary fields, including biology, economics, physics, and elsewhere. (For additional articles or information on the Rollercoaster of Change™ or for details on our other three Systems Thinking concepts, please call us at the Haines Centre for Strategic Management®.)

Another in the Rollercoaster of Change™ Series.

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### Some Principles of Change

*Throughout the Rollercoaster, some basic research-based principles of change are in operation. These are also the natural way people operate on earth. They are a fact and not matters of personal opinion.*

1. Any change in any one part of the organization affects all other parts of the organization—the "Ripple Effect." (An organization is a system and a "web of relationships.") Leaders need constant attention to an integrated fit, or alignment and attunement. If not, degradation (or entropy) will take over and the change will fail.
2. People are funny. Change they initiate is viewed as good, needed, and valuable. Change that is forced on them is met by some form of resistance, no matter what the nature of the change.
3. People need predictability—physical, psychological, and social. It's an offshoot of the basic need for security.
4. People will feel awkward, ill-at-ease, and self-conscious; they need information and reassurance over and over again. (Repetition is crucial—tell people the same thing four times.)
5. People will think first about what they will have to give up—their losses. Let people cry, mourn, and grieve the loss.
6. People will feel alone even though others are going through the same change. So structure interactions and involvement for people to feel a sense of community.
7. The communications power in explicit vision and values is enormous. People want to believe. Focus on them over and over.
8. Only one to three themes (maximum) should be chosen in order to focus people on the change. Keep it simple!
9. People change at different rates, depths, and speeds; they have different levels of readiness for change. So treat each person as an individual.
10. Excellence is doing 10,000 little things right—that's Strategic Management in execution; the military precision in managing the change requires it.
11. "Structures" exist—their design influences everything else. So set up a Change Leadership Steering Committee that meets frequently and regularly to lead and manage the changes.
12. "Processes" exist—the only issue is their focus and effectiveness. The Rollercoaster process is the key!
13. There is a need for this continual "Change Leadership Steering Committee" process. The hierarchal organization has a difficult time changing itself.
14. The stress of change on people is enormous . . . but it can and must be managed for successful change to occur. People can only handle so much change; don't overload—it causes paralysis. Set up phases of change if necessary.
15. Being open to feedback on your changes doesn't have to be a sacred cow . . . but it can be painful, yet growth inducing, as you have more of reality with which to improve and ensure success.
16. Employees can be a bottom line competitive business advantage . . . but only if management first becomes the advantage by being skilled in this Rollercoaster.
17. People will be concerned they don't have enough resources; help them get "outside the nine dots" (i.e., outside the box).
18. If you take pressure for change off, people will revert back to old behaviors; relapses are natural and will occur.
19. We rarely use what works despite the fact that proven research is in on change management. It's the Rollercoaster, stupid!