A Mouse of Change, a Lion of Resistance

BY TIMOTHY R. CLARK

In working with clients on their major change initiatives, I've observed three common failure patterns. One is to start and stop change too frequently, and another is to attempt too much change at once. Let me briefly review these two pitfalls and then introduce the third, subtler mistake: ignoring mice.

I've observed leaders who develop a habit of falling in and out of love with different initiatives. When an organization starts and stops change initiatives too frequently, change takes on an ad hoc quality. Leaders who do this tend to view change initiatives too much like laboratory curiosities. For obvious reasons, benign neglect and nominal sponsorship don't lead to success. Leaders who succumb to this pattern sometimes don't realize that undertaking major change means demonstrating extraordinary fidelity to an initiative once it's begun. Accordingly, one transitory fling after another leaves the organization bereft of energy and caught in the grip of debilitating inertia. When the organization faces a major challenge, the leader—now suddenly serious about change—has lost the credibility to bring it about.

A second failure pattern is attempting too much change at once. Leaders who do this usually haven't developed an intuitive sense about pacing an organization. Too many initiatives at once can outrun organizational resources. Leaders have to prioritize. At the same time, they have to develop and manage the resilience of the organization for peak performance. Organizations buckle under the weight of too much too soon, and taking an organization to the level of maximum exertion and keeping it there is not sustainable.

A third and subtler way to fail is when leaders summon a lion of resistance from a small, mouse-like change—a change that is only part of a larger change initiative. In this case, the mouse is a change that carries a high perceived personal cost yet is of little strategic

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importance to the initiative. Naturally, people resist most strongly the changes that threaten them with the greatest personal cost. Sometimes unimportant aspects of a major change fall into this category. When leaders don't see these *mice,* it can be a serious mistake that uncages lion-like resistance. Fortunately, if leaders are trained to pay attention to the right things, they can often predict and thus prevent the mouse-to-lion effect.

Let's look at two examples of leaders who failed to see the mouse.

Siring a Lion of Resistance

At a midsized luxury goods company, an IT project team was working feverishly to configure a new enterprise computer system to meet a deadline two months away. The team's project had fallen behind as a result of latecoming requests for new features and functionality. The team was now working long hours to get back on schedule.

Gradually, the company's revenues started dropping off as the economy turned down and consumers backed away from big-ticket purchases. As the company plunged into negative cash flow, leaders attacked the cost side of the business. As part of this effort, they decided to suspend daily overtime pay to IT personnel. On paper, they would save several thousand dollars a month, which was considered a small yet important part of the cost reduction effort. This change became the mouse. The manager of the project tendered his resignation the next week. Two programmers followed him out the door and the company had to abort the project after completing three-quarters of the work.

In this case, senior leadership was obsessing on its liquidity problem and made a foolish exchange. It traded some incremental cash flow for a failed major initiative. In the end, the project became a sunk cost three hundred times the savings of the rescinded overtime pay.

Here's another example: At a large manufacturing company, executive management decided to launch a major change initiative to improve its languishing on-time delivery performance. The implementation plan included applying lean manufacturing techniques to speed up cycle times and reduce inventory. The initiative also called for organizational restructuring. All the functional silos relating to activities from order entry through billing and shipping—everything except manufacturing itself—were to be brought together in a new, process-based department to be called Order Fulfillment. It was a well-conceived plan that promised a step change improvement.

Midway through the implementation, executive management concluded that it would help the effort if the director of production planning, Vernon Hoag, a respected leader in the organization, were to relocate to the billing and invoicing wing of the building. Leadership insisted that having him there would break down interdepartmental barriers and foster a new level of cooperation. The initiative had been embroiled in controversy, but the chief operating officer had worked hard to build a coalition to see it through, enlisting Vernon along the way. Upon hearing the request, Vernon steadfastly resisted. When upper management would not relent in their request, his resistance turned into a withdrawal of support for the initiative.

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Eventually, Vernon's negative influence persuaded others to withdraw support for the change. After a few weeks, the coalition supporting the change fractured. Senior management had to back away from the initiative.

Disruptive Potential

In these two examples, the *mice* were not big changes in magnitude, scope, or duration. But each created a train of consequences that eventually brought down a major initiative. In each case, a mouse led to lion-like resistance, not out of its own size or strength, but out of its ability to disrupt. The danger of mice lies in the enormous disruptive potential they carry. In fact, a closer examination of mice provides further insight concerning resistance.

Major change initiatives consist of many smaller change elements. For leaders to implement major change successfully, they must break down the initiative and assess the disruptive potential embedded within the individual elements. In this effort it is useful to look at two factors: *perceived personal cost* and *perceived strategic importance.*

Resistance is widely regarded as arbitrary because it can come unexpectedly and is often disproportionate to a change. What I find instead is that resistance is remarkably consistent when viewed with these two concepts in mind.

First, resistance is largely determined by the perception of personal cost by those who experience the change. This means that a small change—even something that appears to be a trivial change—can ignite enormous resistance because it springs from the way people perceive the personal cost of the change, not the size or importance of the change.

With Vernon Hoag, for example, leadership failed to appreciate the disruptive potential of moving him. In fact, they were surprised at his resistance. The change request was a small thing in absolute terms, but what management failed to do was examine the change from Vernon's perspective, even though he was a linchpin opinion leader whose support was critical. To Vernon, an office move would strip him of his local network, social ties, power base, and channels of communication. The disruptive potential reflected the perceived personal cost to Vernon rather than some proportional measure of the change.

Some change carries a high perceived personal cost yet is of little strategic importance.

In a contrasting example, a professional services firm on the verge of business failure was acquired by a financially strong firm. News of an acquisition can provoke strong resistance among affected employees, but no such reaction occurred. Despite the prospect of massive change, employees met the news and subsequent integration process with cooperation. Obviously, they were happy to be rescued.

Second, resistance is determined by the perception of strategic importance. When employees perceive that a proposed change has high strategic importance, it can lessen what might otherwise be strong resistance. Unless employees are severely disaffected, they accept that an organization's strategy and goals matter at some level. So when employees understand how change is strategically important—when they feel convinced that the change will contribute meaningfully to the organization's direction and success—they become more willing to endure the costs of change.

A billion-dollar software company was acquired by a competitor of similar size. The acquired company had grown up under the leadership of a benevolent founder, who had instilled a hard-working yet comfortable culture. Among the many symbols of this culture were the free soda and popsicles that filled the hundreds of refrigerators throughout the campus.

One of the first acts of leadership by the acquiring firm was to eliminate these low-cost perks. Certainly, this change had almost no economic impact. Rather, it was a deliberate attempt to signal a new culture and approach within the newly merged organization. According to management, this change created an estimated loss in productivity of 25 percent and dealt a powerful blow to initial attempts to merge the organizations. Employees saw no strategic importance associated with the change. What they did see was bravado rather than judgment on the part of the new leaders. This perception only served to intensify resistance to overall merger integration activities. Over a period of eighteen months, merger integration efforts foundered; the acquired company was sold off to another competitor. Certainly soda and popsicles weren't the sole cause of failure, but the change did create a negative catalyst that prompted further resistance.

The danger of mice lies in the enormous disruptive potential they carry.

Four Types of Change

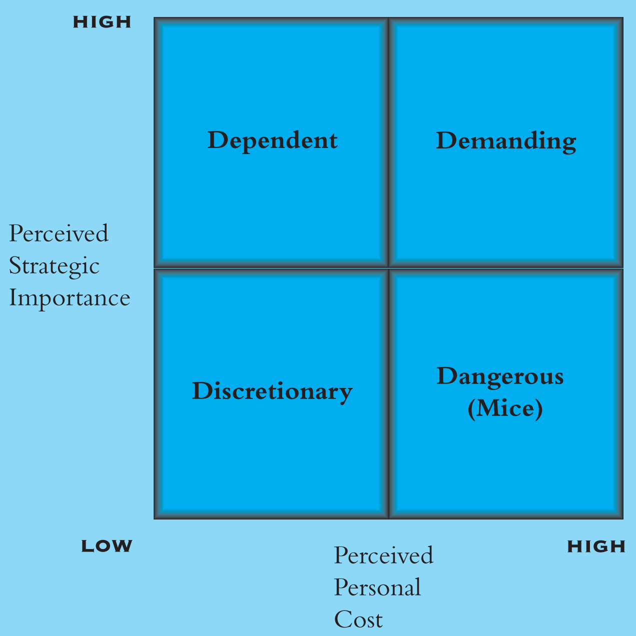
Major disruptive potential may lurk within all kinds of small changes. There is no surefire way to measure it, but leaders have a degree of predictive power if they will carefully evaluate the perceived personal cost and strategic importance of individual change elements ahead of time.

In evaluating hundreds of small changes in an attempt to understand disruptive potential better, a pattern emerges around the two dimensions that I've discussed: perceived personal cost and strategic importance. Combining these two dimensions distills out four separate types of change (see Figure 1). I have observed that employees seem to instinctively sort change elements along similar lines. The good news is that leaders can help avoid failure in their own major change initiatives if they evaluate individual change elements in the same way before implementation.

1. *Discretionary Change*

Discretionary changes are low in both perceived personal cost and strategic importance. An organization can take or leave a discretionary change without causing either undue injury or the loss of significant value. Discretionary changes require little organizational preparation because they do not significantly disrupt the status quo. They may ruffle employees, but not enough to provoke strong, broad-based resistance. Most discretionary changes are simply a matter of preference. Examples might include minor modifications to process, policy, or technology. Or they might include bigger changes that employees simply won't feel because they don't reach far enough to have an impact on them directly, such as with changing a minor supplier, an accounting policy, or a marketing campaign.

FIGURE 1. FOUR TYPES OF CHANGE



2. *Dependent Change*

Dependent changes are low in personal impact yet high in strategic importance. When they are successful, they usually represent a breakthrough in performance and release positive energy. When they fail, there is little disruptive potential because they don't typically disturb or threaten to disturb the everyday lives of employees. These changes are dependent because they rely primarily on a critical nonhuman or outside resource for successful implementation, such as a channel or alliance partner, capital, technology, or a law or regulation.

Dependent changes are uncommon simply because most major changes that are high in strategic importance affect people deeply as well. On occasion, however, some important strategic changes do not cause great disruption to employees on a personal level. Examples might include outsourcing the development of a new product, obtaining approval for a new patent, building a greenfield manufacturing facility, lobbying for and obtaining new legislation to reduce taxes on major capital equipment expenditures, or gaining a new round of funding for a start-up company. Each of these changes carries high strategic importance yet exerts little direct impact on employees.

3. *Demanding*

Demanding changes are high in personal impact and strategic importance. They are critical to the ongoing competitive advantage of organizations but unavoidably affect people in significant ways. Examples include all kinds of changes to organizational structure, compensation and benefits, roles and responsibilities, and new technical competency requirements.

A demanding change may or may not carry large disruptive potential. It depends on the degree to which employees accept the strategic importance of the change and are willing to sacrifice personal benefit for the good of the company. The difference between a demanding change and a dangerous change, or mouse, is that demanding changes are usually critical to the implementation of the major initiative due to their strategic importance. These are changes that can't be put off. For example, a biotechnology company decided to pursue a new direct sales model in which it would hire part-time sales professionals. This shift required the current sales force to either move to part-time status, which meant a significant reduction in base pay and benefits, or leave the organization. The change exacted a high personal cost on current employees, but it was fundamental to the new sales model, and therefore of high strategic importance.

4. *Dangerous (Mice)*

Dangerous changes combine the perception of high personal cost with low strategic importance. They offer little strategic value yet promise significant personal disruption. As mentioned, often the only difference between a dangerous change and a demanding one is the perception of strategic importance. In other words, does the change really matter? Will it contribute to our strategy? Does it make a difference in helping us reach our goals?

The mouse works according to the familiar concepts of catalyst, momentum, and critical mass, but in a negative direction. Out of high perceived personal cost, a mouse sires a lion of resistance. The resistance builds until the forces restraining change overtake the forces driving change. The mouse is a negative catalyst that creates reverse momentum that eventually reaches counter-critical mass.

Catching Mice

Why do mice bring down so many initiatives? Why do leaders fail to see them? It's not that leaders are heedless of the toll of change on their organizations or that they have an unguided impulse to initiate it. Many have good instincts about how to pace an organization. It's simply counterintuitive to focus on what seems to be of lesser importance. Leaders don't see mice because they're not looking; mice are in an unfamiliar category. Once leaders understand the mouse category, they can take a different approach to examining their major initiatives.

To catch the mice that may be nesting in major initiatives, I suggest that leaders take the following practical steps:

1. Break down the initiative. Creating a work breakdown structure is a fundamental part of major project management.
2. Once you have the breakdown complete and documented, identify those elements that have disruptive potential by creating significant personal cost in the following areas:
   - Formal authority, informal influence
   - Relationships, influence, reputation
   - Communication and access to information
   - Compensation, benefits, privileges
   - Roles, responsibilities (formal and informal)
   - Technical skill requirements
3. For each change element likely to create a significant personal cost, determine whether the element is essential to the success of the initiative.
4. Those high-personal-cost elements that are nonessential to initiative success are probable mice. Ask whether these elements can be eliminated, postponed, or modified.
5. For high-personal-cost elements that are strategically important, determine if those elements can be piloted or implemented on a trial basis. Also determine how you can increase the perceived strategic importance of these elements among employees.

Leaders should always look first to the fundamental aspects of leadership, strategy, and resource allocation as the keys to leading successful change. But given the disruptive potential of mice, they should look a second time to see if any are nesting in their initiative. Not catching a mouse can create resistance that stops an important change initiative dead in its tracks. ■