3. THEORIES OF CHANGE AND MANAGEMENT

When you complete this chapter you will understand:

- The various theories and types of change.
- How change effects management
- The role of management in change
- The importance managing change
3.0 THEORIES OF CHANGE

The evolution of the change management field stems from psychology, business and engineering. Hence, some models are derived from an organization development perspective whereas others are based on the individual behavioural model. For this reason, this section is divided into two sub-categories: Individual Change Management and Organizational Change Management.

Activity
Define change management in your own words
3.1.1 Dynamic conservatism
This model by Donald Schön explores the inherent nature of organisations to be conservative and protect themselves from constant change. Schön recognises the increasing need, due to the increasing pace of change for this process to become far more flexible. This process being one of 'learning'. Very early on Schön recognised the need for what is now termed the 'learning organization'. These ideas are further expanded on within his frame work of 'reflection-in-action', the mapping of a process by which this constant change could be coped with.

3.1.2 Individual change management
An early model of change developed by Kurt Lewin described change as a three-stage process. The first stage he called "unfreezing". It involved overcoming inertia and dismantling the existing "mindset". Defence mechanisms have to be bypassed. In the second stage the change occurs. This is typically a period of confusion and transition. We are aware that the old ways are being challenged but we do not have a clear picture to replace them with yet. The third and final stage he called "refreezing". The new mindset is crystallizing and one's comfort level is returning to previous levels. Rosch (2002) argues that this often quoted three-stage version of Lewin’s approach is an oversimplification and that his theory was actually more complex and owed more to physics than behavioural science. Later theorists have however remained resolute in their interpretation of the force field model.
This three-stage approach to change is also adapted by Hughes (1991) who makes reference to: "exit" (departing from an existing state), "transit" (crossing unknown territory), and "entry" (attaining a new equilibrium). Tannenbaum & Hanna (1985) suggest a change process where movement is from "homeostasis and holding on", through "dying and letting go" to "rebirth and moving on". Although elaborating the process to five stages, Judson (1991) still proposes a linear, staged model of implementing a change:

(a) analysing and planning the change; (b) communicating the change; (c) gaining acceptance of new behaviours; (d) changing from the status quo to a desired state, and (e) consolidating and institutionalising the new state.

Some change theories are based on derivatives of the Kübler-Ross model from Elizabeth Kubler-Ross's book, "On Death and Dying." The stages of Kubler-Ross's model describe the personal and emotional states that a person typically encounters when dealing with loss of a loved one. Derivatives of her model applied in other settings such as the workplace show that similar emotional states are encountered as individuals are confronted with change.

A Formula for Change was developed by Richard Beckhard and David Gleicher and is sometimes referred to as Gleicher's Formula. The Formula illustrates that the combination of organisational dissatisfaction, vision for the future and the possibility of immediate, tactical action must be stronger than the resistance within the organisation in order for meaningful changes to occur.
The ADKAR model for individual change management was developed by Prosci with input from more than 1000 organizations from 59 countries. This model describes five required building blocks for change to be realized successfully on an individual level. The building blocks of the ADKAR Model include:

1. Awareness – of why the change is needed
2. Desire – to support and participate in the change
3. Knowledge – of how to change
4. Ability – to implement new skills and behaviours
5. Reinforcement – to sustain the change

3.1.3 Organizational change management

Organizational change management includes processes and tools for managing the people side of the change at an organizational level. These tools include a structured approach that can be used to effectively transition groups or organizations through change. When combined with an understanding of individual change management, these tools provide a framework for managing the people side of change. People who are confronted by change will experience a form of culture-shock as established patterns of corporate life are altered, or viewed by people as being threatened. Employees will typically experience a form of "grief" or loss (Stuart, 1995).
Activity

What are the key aspects of organisational change management? Discuss.
3.2 THE ROLE OF THE MANAGEMENT

Management's responsibility (and that of administration in case of political changes) is to detect trends in the macro environment as well as in the microenvironment so as to be able to identify changes and initiate programs. It is also important to estimate what impact a change will likely have on employee behaviour patterns, work processes, technological requirements, and motivation. Management must assess what employee reactions will be and craft a change program that will provide support as workers go through the process of accepting change. The program must then be implemented, disseminated throughout the organization, monitored for effectiveness, and adjusted where necessary. Organisations exist within a dynamic environment that is subject to change due to the impact of various change "triggers", such as evolving technologies. To continue to operate effectively within this environmental turbulence, organisations must be able to change themselves in response to internally and externally initiated change. However, change will also impact upon the individuals within the organisation. Effective change management requires an understanding of the possible effects of change upon people, and how to manage potential sources of resistance to that change. Change can be said to occur where there is an imbalance between the current state and the environment.

Gabrielle O'Donovan has designed a strategic implementation plan for a culture transformation programme which is largely based on primary research.
The first phase 'strategic planning and design' includes a series of steps; back to the drawing board to revisit the company purpose, form the strategic management team to oversee implementation, create programme vision and define strategy, organize the workforce and design the core programme and cultural embedding mechanisms that will support it. The second phase 'strategy implementation' includes these steps; communicate vision and roll-out, manage the human landscape plus maintain momentum and solidify ground made. The final phase 'evaluation and readjustment' focuses on the measuring of results and also planning for the future.

Activity
Can change be controlled by the management?

What benefit or disadvantage does that bring?
3.2.1 Working with assumptions

Process Oriented Psychology by Arnold Mindell talks about the field in which each human relationship exists. Its application field, World work, intends to transform systems by shifting roles that people unconsciously hold in a system.

Dialogue (by David Bohm) is a new form of communication in large groups that is based on the suspension of assumptions, thus letting the common knowledge of a group emerge.

Appreciative Inquiry, one of the most frequently applied approaches to organizational change, is partly based on the assumption that change in a system is instantaneous ('Change at the Speed of Imagination')

Scenario Planning: Scenario planning provides a platform for doing so by asking management and employees to consider different future market possibilities in which their organizations might find themselves.

Theory U of Otto Scharmer who describes a process in which change strategies are based on the emerging future rather than on lesson from the past.

3.2.2 The constructionist principle

The map is not the territory: The map/territory relation is proven by neuroscience and is used to signify that individual people do not have access to absolute knowledge of reality, but in fact only have access to a set of beliefs they have built up over time, about reality. It has been coined into a model by Chris Argyris called the Ladder of Inference.
As a consequence, communication in change processes needs to make sure that information about change and its consequences is presented in such a way that people with different belief systems can access this information. Methods that are based on the Map/Territory Relation help people to:

- become more aware of their own thinking and reasoning (reflection),
- make their thinking and reasoning more visible to others (advocacy),
- and
- inquire into others' thinking and reasoning (inquiry).

Some methodological frameworks that are based on this principle are:

- Neuro-linguistic programming (NLP), an eclectic school of psychotherapy developed by Richard Bandler, John Grinder, Robert Dilts, and others;
- Circular Questioning and other techniques basically developed in Systemic Family Therapy.

- Gestalt Psychology, a theory of mind and brain that proposes that the operational principle of the brain is holistic, parallel, and analog, with self-organizing tendencies;
- The concept of the Fifth Discipline by Peter Senge and other management thinkers
- Scenario Thinking, a method that helps people to create stories about the future
Activity

In your words how would you define strategic change?
3.3 STRATEGIC CHANGE

In 1970, Alvin Toffler in Future Shock described a trend towards accelerating rates of change. He illustrated how social and technological norms had shorter lifespan with each generation, and he questioned society's ability to cope with the resulting turmoil and anxiety. In past generations periods of change were always punctuated with times of stability. This allowed society to assimilate the change and deal with it before the next change arrived. But these periods of stability are getting shorter and by the late 20th century had all but disappeared. In 1980 in The Third Wave, Toffler characterized this shift to relentless change as the defining feature of the third phase of civilization (the first two phases being the agricultural and industrial waves). He claimed that the dawn of this new phase will cause great anxiety for those that grew up in the previous phases, and will cause much conflict and opportunity in the business world. Hundreds of authors, particularly since the early 1990s, have attempted to explain what this means for business strategy.

In 1997, Watts Waker and Jim Taylor called this upheaval a "500 year delta." They claimed these major upheavals occur every 5 centuries. They said we are currently making the transition from the “Age of Reason” to a new chaotic Age of Access. Jeremy Rifkin (2000) popularized and expanded this term, “age of access” three years later in his book of the same name.
In 1968, Peter Drucker (1969) coined the phrase Age of Discontinuity to describe the way change forces disruptions into the continuity of our lives. In an age of continuity attempts to predict the future by extrapolating from the past can be somewhat accurate. But according to Drucker, we are now in an age of discontinuity and extrapolating from the past is hopelessly ineffective. We cannot assume that trends that exist today will continue into the future. He identifies four sources of discontinuity: new technologies, globalization, cultural pluralism, and knowledge capital.

In 2000, Gary Hamel discussed strategic decay, the notion that the value of all strategies, no matter how brilliant, decays over time.

In 1978, Dereck Abell (Abell, D. 1978) described strategic windows and stressed the importance of the timing (both entrance and exit) of any given strategy. This has led some strategic planners to build planned obsolescence into their strategies.

In 1989, Charles Handy identified two types of change. Strategic drift is a gradual change that occurs so subtly that it is not noticed until it is too late. By contrast, transformational change is sudden and radical. It is typically caused by discontinuities (or exogenous shocks) in the business environment. The point where a new trend is initiated is called a strategic inflection point by Andy Grove. Inflection points can be subtle or radical.

In 2000, Malcolm Gladwell discussed the importance of the tipping point, that point where a trend or fad acquires critical mass and takes off.

In 1983, Noel Tichy recognized that because we are all beings of habit we tend to repeat what we are comfortable with.
He wrote that this is a trap that constrains our creativity, prevents us from exploring new ideas, and hampers our dealing with the full complexity of new issues. He developed a systematic method of dealing with change that involved looking at any new issue from three angles: technical and production, political and resource allocation, and corporate culture.

Activity
What are the types of strategic changes an organisation can experience? Discuss.
In 1990, Richard Pascale (Pascale, R. 1990) wrote that relentless change requires that businesses continuously reinvent themselves. His famous maxim is “Nothing fails like success” by which he means that what was a strength yesterday becomes the root of weakness today. We tend to depend on what worked yesterday and refuse to let go of what worked so well for us in the past. Prevailing strategies become self-confirming. In order to avoid this trap, businesses must stimulate a spirit of inquiry and healthy debate. They must encourage a creative process of self renewal based on constructive conflict.

In 1996, Art Kleiner (1996) claimed that to foster a corporate culture that embraces change, you have to hire the right people; heretics, heroes, outlaws, and visionaries[56]. The conservative bureaucrat that made such a good middle manager in yesterday’s hierarchical organizations is of little use today. A decade earlier Peters and Austin (1985) had stressed the importance of nurturing champions and heroes. They said we have a tendency to dismiss new ideas, so to overcome this, we should support those few people in the organization that have the courage to put their career and reputation on the line for an unproven idea.

In 1996, Adrian Slywotsky showed how changes in the business environment are reflected in value migrations between industries, between companies, and within companies. He claimed that recognizing the patterns behind these value migrations is necessary if we wish to understand the world of chaotic change.
In “Profit Patterns” (1999) he described businesses as being in a state of strategic anticipation as they try to spot emerging patterns. Slywotsky and his team identified 30 patterns that have transformed industry after industry. In 1997, Clayton Christensen (1997) took the position that great companies can fail precisely because they do everything right since the capabilities of the organization also defines its disabilities. Christensen's thesis is that outstanding companies lose their market leadership when confronted with disruptive technology. He called the approach to discovering the emerging markets for disruptive technologies agnostic marketing, i.e., marketing under the implicit assumption that no one - not the company, not the customers - can know how or in what quantities a disruptive product can or will be used before they have experience using it.

A number of strategists use scenario planning techniques to deal with change. Kees van der Heijden (1996), for example, says that change and uncertainty make “optimum strategy” determination impossible. We have neither the time nor the information required for such a calculation. The best we can hope for is what he calls “the most skilful process”. The way Peter Schwartz put it in 1991 is that strategic outcomes cannot be known in advance so the sources of competitive advantage cannot be predetermined. The fast changing business environment is too uncertain for us to find sustainable value in formulas of excellence or competitive advantage. Instead, scenario planning is a technique in which multiple outcomes can be developed, their implications assessed, and their likeliness of occurrence evaluated. According to Pierre Wack, scenario planning is about insight,
complexity, and subtlety, not about formal analysis and numbers.[62]

In 1988, Henry Mintzberg looked at the changing world around him and decided it was time to reexamine how strategic management was done. He examined the strategic process and concluded it was much more fluid and unpredictable than people had thought. Because of this, he could not point to one process that could be called strategic planning. Instead he concludes that there are five types of strategies. They are:

- **Strategy as plan** - a direction, guide, course of action - intention rather than actual
- **Strategy as ploy** - a manoeuvre intended to outwit a competitor
- **Strategy as pattern** - a consistent pattern of past behaviour - realized rather than intended
- **Strategy as position** - locating of brands, products, or companies within the conceptual framework of consumers or other stakeholders - strategy determined primarily by factors outside the firm
- **Strategy as perspective** - strategy determined primarily by a master strategist

**Activity**

In what way is strategic change different from unplanned change?
In 1998, Mintzberg developed these five types of management strategy into 10 “schools of thought”. These 10 schools are grouped into three categories. The first group is prescriptive or normative. It consists of the informal design and conception school, the formal planning school, and the analytical positioning school. The second group, consisting of six schools, is more concerned with how strategic management is actually done, rather than prescribing optimal plans or positions. The six schools are the entrepreneurial, visionary, or great leader school, the cognitive or mental process school, the learning, adaptive, or emergent process school, the power or negotiation school, the corporate culture or collective process school, and the business environment or reactive school. The third and final group consists of one school, the configuration or transformation school, a hybrid of the other schools organized into stages, organizational life cycles, or “episodes”.

In 1999, Constantinos Markides also wanted to reexamine the nature of strategic planning itself. He describes strategy formation and implementation as an on-going, never-ending, integrated process requiring continuous reassessment and reformation. Strategic management is planned and emergent, dynamic, and interactive. J. Moncrieff (1999) also stresses strategy dynamics. He recognized that strategy is partially deliberate and partially unplanned. The unplanned element comes from two sources: emergent strategies (result from the emergence of opportunities and threats in the environment) and Strategies in action (ad hoc actions by many people from all parts of the organization).
Some business planners are starting to use a complexity theory approach to strategy. Complexity can be thought of as chaos with a dash of order. Chaos theory deals with turbulent systems that rapidly become disordered. Complexity is not quite so unpredictable. It involves multiple agents interacting in such a way that a glimpse of structure may appear. Axelrod, R., Holland, J., and Kelly, S. and Allison, M.A., call these systems of multiple actions and reactions complex adaptive systems. Axelrod asserts that rather than fear complexity, business should harness it. He says this can best be done when “there are many participants, numerous interactions, much trial and error learning, and abundant attempts to imitate each others' successes”. In 2000, E. Dudik wrote that an organization must develop a mechanism for understanding the source and level of complexity it will face in the future and then transform itself into a complex adaptive system in order to deal with it.
3.4 CATEGORISING CHANGE

Change is complex – entering uncharted ‘change’ territory without some sort of route map puts you at an immediate disadvantage form the start. One of the first stages in charting the territory is to understand a little more about the type of change you wish to make (broadly where you want to get to and how you plan to travel) and the second is to understand the lie of the land (the culture and political environment in which you are travelling) which will help you avoid the steep climbs and major obstacles where possible and work with the lines of least resistance.

There are a number of ways in which change can be categorised most are related to the extent of the change and whether it is seen as organic (often characterised as bottom-up) or driven (top-down).

Ackerman (1997) has distinguished between three types of change: developmental, transitional and transformational.

Developmental change may be either planned or emergent; it is first order, or incremental. It is change that enhances or corrects existing aspects of an organisation, often focusing on the improvement of a skill or process.

 Transitional change seeks to achieve a known desired state that is different from the existing one. It is episodic, planned and second order, or radical.
The model of transitional change is the basis of much of the organisational change literature (see Kanter, 1983 and Nadler & Tushman, 1989) It has its foundations in the work of Lewin (1951) who conceptualised change as a three-stage process involving:

unfreezing the existing organisational equilibrium;  
moving to a new position; and 
refreezing in a new equilibrium position.

Schein in 1987 further explored these three stages. He suggested that unfreezing involves:

Disconfirmation of expectations; 
Creation of guilt or anxiety; and 
Provision of psychological safety that converts anxiety into motivation to change.

Moving to a new position is achieved through cognitive restructuring, often through:

identifying with a new role model or mentor; and 
scanning the environment for new relevant information.

Refreezing occurs when the new point of view is integrated into:

The total personality and concept of self; and 
Significant relationships.
Transformational change is radical or second order in nature. It requires a shift in assumptions made by the organisation and its members. Transformation can result in an organisation that differs significantly in terms of structure, processes, culture and strategy. It may, therefore, result in the creation of an organisation that operates in developmental mode – one that continuously learns, adapts and improves.

One way of viewing change is to consider it in terms of two dimensions: how radical the change is and how centrally controlled. A recent audit commission report visualises this as shown in the following figure:

Figure four types of Change

3.4.1 Planned versus emergent change
Sometimes change is deliberate, a product of conscious reasoning and actions. This type of change is called planned change. In contrast, change sometimes unfolds in an apparently spontaneous and unplanned way. This type of change is known as emergent change. Change can be emergent rather than planned in two ways.

Managers make a number of decisions apparently unrelated to the change that emerges. The change is therefore not planned. However, these decisions may be based on unspoken, and sometimes unconscious, assumptions about the organisation, its environment and the future (Mintzberg, 1989) and are,
therefore, not as unrelated as they first seem.

Such implicit assumptions dictate the direction of the seemingly disparate and unrelated decisions, thereby shaping the change process by ‘drift’ rather than by design.

External factors (such as the economy, competitors’ behaviour, and political climate) or internal features (such as the relative power of different interest groups, distribution of knowledge, and uncertainty) influence the change in directions outside the control of managers. Even the most carefully planned and executed change programme will have some emergent impacts.

This highlights two important aspects of managing change.
1 The need to identify, explore and if necessary challenge the assumptions that underlie managerial decisions.

Understanding that organisational change is a process that can be facilitated by perceptive and insightful planning and analysis and well crafted, sensitive implementation phases, while acknowledging that it can never be fully isolated from the effects of serendipity, uncertainty and chance (Dawson, 1996).

An important (arguably the central) message of recent management of change literature is that organisation-level change is not fixed or linear in nature but contains an important emergent element. The section on complexity theory gives more details of some of the developments in this area.
Activity

Discuss the advantages and disadvantages of planned versus emergent change.
3.4.2 Episodic versus continuous change

Another distinction is between episodic and continuous change. Episodic change, according to Weick and Quinn (1999), is ‘infrequent, discontinuous and intentional’. Sometimes termed ‘radical’ or ‘second order’ change, episodic change often involves replacement of one strategy or programme with another.

Continuous change, in contrast, is ‘ongoing, evolving and cumulative’. Also referred to as ‘first order’ or ‘incremental’ change, continuous change is characterised by people constantly adapting and editing ideas they acquire from different sources. At a collective level these continuous adjustments made simultaneously across units can create substantial change.

The distinction between episodic and continuous change helps clarify thinking about an organisation’s future development and evolution in relation to its long-term goals. Few organisations are in a position to decide unilaterally that they will adopt an exclusively continuous change approach. They can, however, capitalise upon many of the principles of continuous change by engendering the flexibility to accommodate and experiment with everyday contingencies, breakdowns, exceptions, opportunities and unintended consequences that punctuate organisational life (Orlikowski, 1996).
3.5 SUMMARY

The change referred to in this chapter includes a broad array of topics. From an individual perspective, the change may be a new behaviour. From a business perspective, the change may be a new business process and/or a new technology. From a societal perspective, the change may be a new public policy or the passing of new legislation. Successful change, however, requires more than a new process, technology or public policy. Successful change requires the engagement and participation of the people involved. Change management provides a framework for managing the people side of these changes. The most recent research points to a combination of organizational change management tools and individual change management models for effective change to take place.
TEST QUESTIONS

1. What is the general process of strategic change?
2. Why are certain changes unavoidable? What are their influencing factors?
3. Discuss the key role of management in strategic change management.
4. How does change affect the growth and productivity of an organisation?
Special Reading

Leading Strategic Change: Helping People See By Using Contrast and Confrontation

Both come from simple facts that we know about actual vision. To see physical objects, we need some contrast in shape, light, and colour. We also see best when those objects are directly in front of us, rather than off to the side in our peripheral vision. Even though, in the context of individual and organizational change, we are not talking about seeing physical objects, the two factors that help us see physical objects apply to seeing new business realities just as well. This section will help you see change in the proper perspective.

If people are blinded, how can you help them see? How can you help people see what they have a hard time seeing? How can you avoid getting yourself trapped in past mental maps? You can't just say, "See!" If people could see the shifts and needed changes, they would. The solution has two parts—contrast and confrontation.

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Even though, in the context of individual and organizational change, we are not talking about seeing physical objects, the two factors that help us see physical objects apply to seeing new business realities just as well.

Contrast

As we mentioned, contrast is one of the key means by which the human eye distinguishes different objects. When combined, differences in shape, brightness, and colour give us contrast. The letters on this page stand out because of the contrast of black against white. It is such a simple notion that we generally take it for granted. But notice how the contrast lessens as you look at the circles in Exhibit 3-1 from left to right.

Exhibit 3-1 Circles of contrast.

In this simple example, the different levels of contrast are easy to see. In complex organizational settings, there are so many things to look at that people can selectively focus on elements from the past and present that are similar, rather than different. In effect, they can choose to ignore key contrasts and thereby avoid looking at why what worked in the past might not work in the future. This brings us to the second part of the answer to overcoming the failure to see—confrontation.

Confrontation

Precisely because the organizational and business realities we face are complex, people can ignore or literally be blind to the "obvious" differences between the past and present. This is why they fail to see the reasons that strategies, structures, cultural values, processes, technologies, etc. must change.
The fact that most people do not easily see these contrasts is clear and compelling evidence that people cannot be left on their own to visualize them. Just as we "forced" you to see the contrasts among the circles on the previous page, leaders have to confront their people with the key contrasts between the past, present, and future.

Combining Contrast and Confrontation
The matrix in Exhibit 3-2 helps to illustrate why both contrast and confrontation are necessary to overcome the first gravitational force—the failure to see.

Exhibit 3-2 Breaking through the sight barrier.
If there is low contrast (for example, the nearly white circle on the white page) and low confrontation (for example, if you could just skip the previous page on which we presented the contrasting circles), your change efforts are likely to end up in the garbage can—wasting time, money, and energy. With low contrast and confrontation, people will not see a need for change and, consequently, won't change.
If contrast is high, however, and confrontation is low, it is like a passing parade. People will "ooh" and "ah" at the difference, but when the parade passes, they will go back to what they were doing before.
If confrontation is high but contrast is low, it is like an old shoe. It sits there confronting you every day, but it is still the same old shoe. It looks and smells no different each day.
The key to overcoming the failure to see is creating both high contrast and high confrontation. Unfortunately, this is much easier said than done. Even when leaders attempt to create both high contrast and confrontation, we frequently observe two common mistakes.

Mistake #1: The Comprehensiveness Mistake

In creating high contrast, one of the first mistakes many leaders make is what we call the comprehensiveness mistake. The mistake happens as leaders try to illustrate the contrasts between yesterday and tomorrow but end up making the illustration too complex and comprehensive. When presented with a complex picture of the past and present (or future), the complexity actually allows employees to focus on what they want. Because people are programmed to hang on to what has worked, they are likely to use that freedom to focus on similarities in the picture, rather than differences. Why? Similarities reinforce past mental maps, whereas differences may threaten them. Presenting too complex a picture also allows people to zero in on the "not so important" contrasts, rather than the critical one. Either way, people are free to conclude, "Things are not really that different." And if things are not really that different, then little need exists for them to think or behave differently. The important thing to keep in mind is that the more complex the picture presented is, the more alternative specific points there will be on which people can choose to focus. This, in turn, increases the chances that they will select the wrong targets for guiding their actions.

What causes leaders to make this common mistake? In some cases, the cause of this comprehensiveness mistake is that leaders know that reality is complex, and they do not want to appear to be simple-minded.
Consequently, they list and discuss "a variety of factors contributing to our need to change." At one level, this is quite understandable and sensible. Yet in our experience, the true cause of this mistake is less admirable. In most cases, the mistake has less to do with a desire to "reflect the complex reality of the current business environment" and more to do with leaders' inability or unwillingness to identify the core of the issue. Rather than take the time and energy to identify the core 20% that accounts for 80% of the problems, they fall for an easier approach of simply listing all the factors. The time and brainpower required to create a long list of factors is not nearly that required to determine which factors on that long list are the most influential. This is why calling this the comprehensiveness mistake is too polite; we probably ought to call it the laundry list mistake.

Mistake #2: The "I Get It" Mistake

Even if we as leaders are successful at avoiding the first mistake (the comprehensiveness mistake), there is a second pitfall we all too often see people fall into—the "I get it" mistake. The mistake is simple. It is presenting the contrast once and only once. In other words, as the leader, you recognize the need for change, so you present it to others one time and expect them to understand it instantly. After all, you understand it, so why shouldn't they?

When we say "you," we mean everybody. No one seems to be totally immune from making this mistake. So why do we make this mistake? The answer lies in giving ourselves too much credit.
After we spend time trying to understand a problem and the light bulb in our head finally turns on, we give ourselves too much credit and forget how much time and effort it took to "get it." This happens in part because once we get it, we get it. The neural pathways in our brain among the various components of the problem and solution are established. They are there. Once we understand it, we do not have to do anything to understand it again. The neural pathways are paved, and we can make the connections at high speeds. It is there; we see it instantaneously. In fact, we often think, "This was so obvious. Why didn't I see it from the start?" It is as though once the light goes on, it turns off our memory of how we got there and how much time and effort it took.

Consequently, we think that if we mention it once to someone, they will get it, too. The new strategic vision is so obvious, how many times should we need to repeat it? During consulting engagements, we have heard leaders on many occasions ask us something similar to the following: "Didn't they hear me? I explained all this in my presentation the other day. Are they brain dead?" Although this may seem harsh, we can't even print the harsher statements. But the key point is that all of us give ourselves too much credit and forget how many times we had to look at a problem, how many different angles we had to explore, and how long we had to think about it before we finally understood it. Because we forget the process of understanding it, we end up thinking that saying it once to others is more than enough for them.
Creating High Contrast
With these two common mistakes in mind, we can now turn our attention to specific means of creating high and compelling contrast—the first of our two-part solution. Given the tendency to try to paint pictures that are too complicated and comprehensive, effective contrast requires leaders to focus on the core 20%. As we have already pointed out, reality in its entirety is complex. Left completely in its complexity, the important contrasts are hard to see. Consequently, leaders have to simplify and focus on the key differences. The key is identifying the key differences. Making the judgments as to what are and what are not core contrasts is what leaders get paid for.

Imagine for a moment that you work for the leading signal processing firm, QuadQ, Inc., whose products primarily ship to the health care industry. Scientific researchers and hospital researchers use your products in diagnostic tests and cellular and blood chemical analysis. QuadQ's analog technology has been at the leading edge for years. Then a shift occurs in the market. First, digital signal processing emerges as a competing technological platform. When it first emerges, however, it seems unable to rival your analog technology. Second, the nature of customers begins to shift. Diagnostics and analyses are done increasingly in clinics and by technicians, not in research labs by MDs and PhDs. Third, there is a trend to coordinate separate tests and analyses into integrated systems. The emerging "buzz phrase" in your industry becomes "providing solutions, not boxes, to customers."
As signs of these shifts first emerge, many of the scientists within your firm resist the signals that the environment is changing. They work harder at coming up with customized analog solutions for customers. Over a year or two, it becomes increasingly clear to you that digital signal processing is the superior technology in general and specifically for integrating your products into larger solutions. It also becomes more evident to you that digital is the way to go for simplifying the use of your product so that less sophisticated customers can operate the equipment.

How do you create a compelling contrast sufficient to shake your employees free from their entrenched mental maps? First, you have to cut to the core. What are the core contrasts between the past and the future? Clearly, QuadQ exists in a very complex environment, but allowing too much of that complexity to creep in can kill the needed contrast.

Although QuadQ's environment is full of complexity, five key contrasts exist: technology, strategy, customers, competencies, and relationships (Exhibit 3-3). Keep in mind that, as simple as this seems, it still requires people to remember 10 things (i.e., five categories by two descriptions). This is important when you recall, as we previously mentioned, that although most people can remember seven things, only about 2% remember ten. You create the following matrix to highlight the core contrast.
### Table 3-3. QuadQ's Changing Environment

<table>
<thead>
<tr>
<th>ISSUE</th>
<th>OLD</th>
<th>NEW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology</td>
<td>Analog</td>
<td>Digital</td>
</tr>
<tr>
<td>Strategy</td>
<td>Make leading-edge boxes</td>
<td>Provide leading-edge solutions</td>
</tr>
<tr>
<td>Customers</td>
<td>Hospital and research centres. Clinics and labs.</td>
<td>Sophisticated doctors and scientists</td>
</tr>
<tr>
<td>Key Personal Competencies</td>
<td>Scientific and technical brilliance</td>
<td>Teamwork</td>
</tr>
<tr>
<td>Departmental Relations</td>
<td>Autonomous and independent</td>
<td>Collaborative and cooperative</td>
</tr>
</tbody>
</table>

The second thing you do is ratchet up contrast by enhancing the conceptual distance between the descriptions. You know that the reality may not be quite so black and white, but you also know that the greater the contrast, the easier it is for employees to see difference and recognize the acute need for change.

In addition to focusing on the core contrasts, you also take a page from what we know in general about vision and memory. Research has clearly demonstrated that the better you create images in people's minds, the more clearly they can recall associated messages. Although the above matrix appeals to your cerebral nature, you realize the need for something else—something more visual. In response, you create a very simple picture that contrasts the old and the new, as shown in Exhibit 3-4.
Exhibit 3-4 QuadQ's strategic contrast maps.

Using these images, you explain that in the past, individual, brilliant scientists created leading-edge analog boxes that very sophisticated customers used. That was the old map. The new map calls for gearing products toward increasingly less sophisticated customers and away from doctors and research scientists. With the new map, QuadQ will create more integrated, digital solutions, rather than boxes. Finally, instead of relying on individual brilliance among QuadQ scientists, the future will require cross-functional teams composed of technology, marketing, and manufacturing people to design and produce the new solutions.

To summarize, you have three steps for creating high contrast:

1. Focus on the core 20% of what is different.
2. Enhance (even slightly exaggerate) the simple descriptions between the old and new.
3. Create visual images, or pictures, of the old and new so that the contrast is understood as more than mere words.
Creating Confrontation

Clearly, pointing out contrasts between the old and new is a critical first step to change. However, to avoid the "I get it" mistake, pointing these contrasts out just once is not enough. Twice is not enough. To ensure a high level of confrontation, you will likely have to present the contrasts repeatedly so employees don't view them as "one-time passing parades" that they can simply wait out.

Repetition becomes so important when trying to change mental maps. But just how many repetitions are enough as you try to initiate change at work? Unfortunately, we know of no scientific studies that answer this question. From our observations and conversations with seasoned executives, though, employees need to hear the contrast message clearly at least five or six times to ensure that they get it.

Repetition is a powerful, but certainly not the only, means of ensuring high confrontation. An additional means is employing what we call inescapable experiences. An inescapable experience has two dimensions. The first is (get ready for this) that it is inescapable. By this we mean that it is hard for the individual to mentally sidestep or ignore the experience or to physically walk away from the experience. Second, the experience must be (again get ready for this revelation) experiential. This may sound redundant, but the experience cannot be just mental. It needs to actively involve as many of the senses as possible: touch, smell, sight, sound, taste. We know from a wide body of scientific literature that the more senses involved and the deeper their involvement, the higher will be the impact of an experience—more is learned, and more is retained.
Let's return to QuadQ, Inc. As the CEO, you did a good job of creating contrast, but you must also ensure effective confrontation. The message must be repeated—probably more often than you think necessary. In addition, you must create some inescapable experiences. How can you do this? You might borrow a page from the CEO of Samsung Electronics.

Samsung is a giant conglomerate in Korea, and Samsung Electronics is one of its key companies. Samsung Electronics is, by most accounts, the leading consumer electronics company in Korea. It has the largest market share and a premiere quality image. It was used to operating in a certain way. Yet its operations and sales in the United States were not going well at all. The CEO was convinced that Samsung had to operate differently in that market than at home, but the message was just not getting through to his top managers in Korea. So the CEO created an inescapable experience. He put nearly 100 of the most senior executives on a plane, and off they went to visit stores in the United States.

The contrasts were stark. Rather than being sold in small shops as in Korea, electronics were sold in large stores in the United States. Rather than getting prime merchandising space as they did in Korea, Samsung products were in the bargain bin, back behind leaders such as Sony, and even behind second-tier makers, such as GE. Samsung executives saw where their products were displayed, rubbed their fingers across the dust on the products, heard customers talk excitedly about competitors' product features as they shopped, and tasted the envy in their mouths for the position of market leaders such as Sony. Samsung was king at home but not in the royal court.
in the United States.

Samsung executives could not escape the experience. It was repeated essentially a dozen times as the group went from store to store. They could not sidestep the experience because they were physically put in the centre of it. As a consequence, the contrast finally had a deep impact.

As the CEO of QuadQ, you should do something similar. You must create an inescapable experience. Simply talking about the contrasts, even repeatedly, is not enough. What can you do? Let's take a look at the

Samsung example for insights.
First, the primary objective of an inescapable experience is putting people directly in front of the most important and forceful aspects of the contrast. As a consequence, you must decide what you want the experience to focus on. Just as there is the danger of diluting the impact of contrast by allowing too much complexity, so too can you dilute the impact of the confronting experience by making it too complex and unfocused. In the case of Samsung, what was a core contrast that hit the executive’s right between the eyes? It was the treatment of the product. To exaggerate, in Korea,
Samsung's products are held respectfully in gloved hands when presented to consumers. In the United States, they're casually tossed into bargain bins with a sign above reading "Clearance Sale!"
What is the key contrast that can hit QuadQ employees, especially the scientists, right between the eyes? Customers. QuadQ scientists are used to interacting with other PhD scientists wearing lab coats. QuadQ scientists are used to creating sophisticated solutions for other lab coat-type customers. What would happen, though, if you confronted your PhD scientists with a new technician-type customer holding only an associate's degree, sporting purple hair, and wearing a nose ring? Then what would happen if you sat that less formally educated customer down to run diagnostics on your old analog products, and your PhD research scientists were forced to listen to the customer's severe complaints about the products? The contrast—if done with enough new-generation customers over a long enough period of time—would be compelling and inescapable. The resulting shock is precisely what your people need for you to have a prayer of overcoming the strength of their old analog map that has dominated the strategic path of success in your firm for the last 40 years.

To summarize, two steps create high-impact confrontation.

1. Repeat the messages of the old and new maps over and over and over again.

2. Create high-impact, inescapable confrontations.
   a. Focus the experience on what you think are the core contrasts. Do not dilute it with too much complexity.
   b. Make sure that the experience involves as many of the senses as possible. There are few effective substitutes for live, fully engaged action.
c. Physically ensure that people cannot easily avoid the experience but must take the brunt of it right between the eyes.

Pulling It All Together
Contrast and confrontation—these two keys break through the first brain barrier and conquer the failure to see. Although we may not have said it explicitly, you no doubt have sensed that changing entrenched mental maps requires a serious shock to the system. In closing, let us make that point clear and unmistakable. The longer a given mental map has been in place and the more successful it has been, the greater will be the shock needed to break free from it.

As evidence of this, consider some personal, managerial maps, rather than organizational maps. Most managers grow up in a given country and culture, be that Germany, Australia, Japan, or India. They develop managerial maps of how to communicate, motivate, correct, praise, confront, and direct people successfully. This generally works fine until, as a senior leader in most companies today, you must interact effectively with people across multiple countries and cultures—i.e., global leadership. Recently, we conducted a study along with a colleague, Allen Morrison, looking at what experiences helped people develop global leadership capabilities. When we asked over 130 senior executives from 55 different companies across Europe, North America, and Asia what the most important and influential experience was in helping them develop global leadership capabilities, 80% gave the exact same answer.
Given the diversity of these executives (different nationalities, job histories, industries, etc.), this is amazingly high agreement. Eight of ten executives said an international assignment was the most influential career experience they had. Why?
The following example provides the answer. Not long ago, we, along with our colleague Allen Morrison, were on a trip to Japan for an international management conference. Because one of our trios, Stewart Black, had lived and worked in Japan before, he decided to take the other two to a traditional Japanese restaurant for dinner. Being the intercultural sensitive guy that he is, he gave the other two a "briefing" about the restaurant and proper etiquette before going in. He explained that most traditional Japanese restaurants have a similar entry. It consists of a thin wood and glass sliding door with an entry area on the other side. The runners at the bottom of the door, along which it slides, are made of wood and typically not recessed; consequently, he warned the other two that they would need to step carefully over them as they entered the restaurant. He then mentioned that they would be in a small alcove called a genkan and that they would remove their shoes before stepping up into the restaurant proper.
Once they found what looked like a nice, traditional restaurant, Stewart opened the sliding door and carefully stepped inside. Allen, who is about the same height as Stewart, followed, also being sure to step over the door runner. The next thing anyone knew, there was a thunderous crash at the entry that reverberated throughout the entire restaurant. Everyone inside turned to see what had happened; some customers thought an earthquake had started.
As everyone looked to the restaurant entry, they saw Hal staggering in the doorway with a trickle of blood running down his forehead. Hal, on seeing his two colleagues negotiate the entry so easily, had tried to step quickly through the door. However, Hal, who is just over 6'5", smashed his head on the top of the door frame. The impact nearly knocked Hal out.

The most interesting part of this story is that the next day, when the trio went to another traditional Japanese restaurant, the exact same thing happened. Now Hal had twin bumps on his head. It wasn't until the third time that Hal remembered to duck as he entered. It took getting smacked hard in the head—twice—for Hal to rearrange his mental map about what it takes for him to enter a traditional Japanese restaurant successfully.

Most of us are like Hal. It takes getting smacked hard in the head, probably more than once, before we are ready to rearrange what is in our heads—our mental maps. Hard knocks to the head are not always pleasant—in fact, they hurt—but they are necessary.

International assignments, unlike short trips, almost always result in some serious smacks to the head. We are confronted on a daily basis with managerial situations in which our old maps do not work. Because we cannot easily hide out in our hotel rooms for three years, we eventually smack our heads—hard and usually repeatedly. This head smacking is what caused the global leaders we interviewed to change their managerial mental maps. And this is why eight of ten touted an international assignment as the most important developmental experience in their careers and their development as global leaders.
The point is not that everyone should go on an international assignment (though if you want to be a global leader, you may need to). Rather, the point is to illustrate that a smack in the head with contrast and confrontation is often needed to dislodge entrenched mental maps. These smacks are what help us see that our mental maps have limits and to deal with shifts in the environment; we must stretch and rearrange our maps—as painful as that might be.