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# Managing Organizational Change: Observations From The Front Lines

*The goal of Organizational Development (OD) is to improve GAO's productivity and quality of worklife by helping organizational units throughout GAO identify and resolve issues hindering their effectiveness. In the course of their work with OD, the authors provided assistance to a number of timely organizational issues. The following article is an outgrowth of some of their work. They have seen organizational change as an important topic of discussion throughout GAO.*

## Introduction to the Problem

It seems that today in GAO, everybody is talking about changes in budget, in personnel practices, even in the kind of work we do. Our job on the Organizational Development Staff provides us with many opportunities to observe how staff throughout GAO respond to such issues. From our experience, change is a particularly sensitive topic in this organization. Opinions on the necessity of change and how to accomplish it vary widely, as do the ways people are able to manage the adjustments that are needed.

Change is an issue largely because we've experienced so *much* of it in recent years, in all aspects of our lives. In GAO alone, we've seen changes in our mission, the way work is done, our structure and roles, and our personnel practices. Not too surprisingly, employee expectations and managerial philosophies have also shifted. The economy has also affected agency growth and employee career development. Outside GAO we've seen changes in family and social structures and in the purchasing power of our hard-earned dollars, even in our way of life.

We seem to be in a period of upheaval, and some people we speak to in GAO are unhappy with the results. For them, the changes have represented hardships and a loss of important and comfortable ways of doing business. On the other hand, we also meet people in GAO who view the changes they have experienced more positively. Adjustments have been more challenging and stimulating for them and have improved the quality of their working life. It seems paradoxical, but we have seen staff in similar situations respond quite differently to the identical organizational events. For example, we have had several conversations like the ones following. Perhaps one of them sounds familiar to you.

## Situation #1

**OD Staff:** "How do you feel about your job, your organization?"

**Staff #1:** (monotone) "Everything's fine. I get by o.k."

**Staff #2:** "Well me, I've got my 171 out all over. This place is driving me crazy. Management never tells us anything. There's no evaluation; no career development. They say they care about us, but it's all lip-service. All these crazy new systems are a sham. They raise our expectations and then just waste our time."

**Manager #1:** "To be honest, it's been frustrating. There have been so many changes in the way we do work that you don't know which rules to follow anymore. Decisions seem to come from nowhere, and



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more often than not, the latest one will contradict the one right before it. It makes me pretty tired sometimes. The excitement is gone from my work. Sometimes I wish I were an auditor."

**OD Staff:** "Let's talk some more about the new systems. What do you think? How are they?"

**Staff #3:** "I don't know about those two, but I don't waste my time anymore. I never fill in those reports. I did at first until I realized that nobody looks at them. I figure now that if they want them so bad, they'll ask for them."

**Manager #2:** "For me the worst thing is dealing with the staff. They're so angry these days that you can never please them, no matter what you say. Then when you've got to change the rules on them again—well, it's just not worth the time to try to hack it over with them. I'll just tell them what they've got to do and they can figure it out themselves. If they don't want to do it, they can find another job and complain about it there."

**Situation #2**

**Staff #1:** "Well, at first I didn't like this new system, but when I eventually learned how to do it, it became more routine. Actually, we adjusted it a little so that it suits our needs better. I must admit that it doesn't let you wander around on your project."

**Manager #1:** "We've been trying to do some positive and creative things here. There have been problems with Congress in

the past and we can see that there will be problems in the future if we don't start moving now. Anyway, we've been working with top management to implement some of these new concepts they feel are so important to incorporate, and we've been trying a few things to improve the situation ourselves."

**OD Staff:** "How would you rate yourself on the quality of your projects in comparison to other offices?"

**Staff #3:** "We turn out the best reports in GAO! We always have a backlog of jobs and we often get a lot of positive publicity."

**OD Staff:** "How would you evaluate your management?"

**Staff #2:** "Well, Mr. X isn't perfect, but I do think he really knows his staff. Also, I happen to know that he really cares about what we think and listens to our suggestions and ideas. He makes a point of meeting with us regularly to discuss issues and get our opinions. He's also consistent. You know where he's going and you don't get many surprises or disappointments."

**OD Staff:** "How have your efforts to implement these changes been going?"

**Manager #1:** "Well, we've had mixed results so far but I feel that we're moving along now. It's been tough for the staff because of so many changes, but we've done our best to make things easier for them. We've tried to talk openly about where we're going and how we can all work

together to get there. Also, we've tried to figure out how to ease into the changes at a comfortable pace. We've tried to help each other learn the best ways to make the new ideas work for us rather than against us. It's never easy, but talking with each other and trying to remain flexible has helped us along."

These two situations present significantly different experiences which are common in our agency. Why are the responses so different? What makes one group's experience positive and the other negative? What can be done to improve the more negative situation? And, most importantly, what can we all do as managers or subordinates to improve the ways in which our units change their operations and adapt to the external forces which affect their work? ...

The answers to these questions are not simple. A variety of personal and situational factors affect the outcome of any organizational experience. From an organization development perspective, the critical ingredient of success involves the ability of organizational members to understand these factors and bring them under control. In GAO, unfortunately, factors associated with change often appear out of our control. But in some cases, we've seen managers and subordinates who have gained more control than we (or they) initially believed was possible. By exercising the controls available to them, they were able to direct the changes, making them a more positive experience in their units. Hopefully, our colleagues' success in dealing with change can help us all, managers and subordinates alike, think more clearly about organizational change and develop some alternative ways to minimize the problems associated with it.

**The Importance and Inevitability of Change**

Perhaps the most important aspect of change is its inevitability.

Change is a natural ongoing process we all experience daily. Organizations grow and change, too. They must adapt to external demands, or shape them, if they are to remain viable, and so must the people who run them. Until recent years, such pressures for change on people and organizations were gradual. But "future shock," as Toffler puts it, is a problem of the age. The rate of change around us has accelerated so much that we can no longer let it run its course. We must consciously strive to direct and manage it so that our lives are enriched rather than overwhelmed. Adjustment can be forestalled for a while, but in the end we must manage changes or suffer the consequences. The longer we delay, the greater will be the strain of the adjustment. If the gap between the present state of organization and the state necessary for survival is allowed to grow too wide (which it will do quickly), it can become impossible to bridge.

People are most successful when they face change head on and strive to direct it, rather than be directed by it. Change can be anticipated and should be planned for, wherever possible. Getting into a rut only makes a situation worse and jeopardizes success in the long run. Moreover, adjustments should be made in small steps so that change is easier to implement.

### **Changes Are Based on Good Intentions**

A point which is not surprising, but often forgotten, is that changes are intended as improvements. In most cases we've seen, organizational changes were intended as positive, problem-solving actions. The people involved recognized that change was difficult, but felt that action was needed to keep the organization on a positive course. The specific actions taken had positive intentions and were based on clear underlying goals.

Unfortunately, in many cases people lose sight of the positive goals behind specific changes. Either the goals are not made clear in the beginning or they are forgotten in the daily issues of implementation. A key to success is the ability of managers and subordi-

nates to concentrate on the goals and positive intentions of change.

### **Changes Are Difficult**

As implied here, organizational changes may have positive intentions, but they can be very difficult to implement. Problems with changes revolve around three major variables: the technical quality of the changes themselves, their effects on people, and the procedures used to implement them.

*The quality of the changes themselves.* It's no surprise that innovations are highly complex in an organization of GAO's size. There are innumerable factors to consider in making a decision to change operations. Decisions must also be good in the short run and the long run, and must satisfy a wide variety of often conflicting needs. In most situations it seems impossible to find one best solution.

In spite of such problems, those who are successful with change have taken clear steps to improve the *quality* of the innovations in which they've been involved. They did this by making sure decisions were based on sound, comprehensive, and well-researched data. Input was collected from all who would be affected by an innovation before a decision was made. Care was taken to get all reservations out on the table during the decision-making process. In this way criticism could be used from the beginning to improve the quality of the change effort, rather than have criticism disrupt implementation later. During the process, future effects of the innovation were also assessed and incorporated. Finally, the successes and failures of similar attempts at change were examined so that successes could be repeated and pitfalls avoided.

In short, the quality of change was improved by considerable time and careful planning before implementation. This assured that the diverse aspects of the problem were considered. Several options were explored and tested before final decisions were made and, in some cases, contingency options were included so that unlikely but possible future events could be taken into consideration.

*The effects of change on people.* While we are very concerned with

the technical aspects of our change strategies, we often forget that it takes people to implement technical decisions. Without the acceptance of those involved and their willingness to proceed with change, efforts to change are doomed to failure no matter how well they are conceived.

Change is generally a difficult issue for people because it upsets their basic needs for stability and security. Moving to a new management system or way of doing work can be disruptive, particularly if people fear that it will upset their balance and result in a personal loss. On the other hand, change can be an exciting endeavor if people understand its rationale and can see its positive benefits. In some cases, people resist change simply because they haven't been included early enough in the decisionmaking process. Today, more than ever before, people want to be a part of decisions that affect their lives. In other situations, people understand and agree with the change intellectually, but don't really understand how to put it into action. For them the problem involves the need to specify what the changes will look like, and to learn some new skills and behaviors for moving ahead.

In sum, the "people" aspect of changes can have crucial effects on how well they are implemented. The successful people we've seen in GAO have been able to recognize the needs of others throughout the change process. While everyone's needs may not have been satisfied in a given situation, they were at least attended to where important. People were appropriately included in the decisionmaking process and were consulted during implementation to draw from their potential enthusiasm for the change effort. Moreover, individuals worked together to specify their new directions and to learn the skills and behaviors needed to do a good job.

*Implementation procedures.* Once changes are decided upon and people's needs are taken into consideration, care should be taken to implement the adjustments effectively over time. From our experience we've noticed several important aspects of the implementation process. The most important is that

proper implementation takes time and experimentation. As mentioned before, new methods are foreign and disruptive to us all, and we need time to adjust to them. Early in the process we need steady leadership and guidance to keep us on course, and flexibility to fine-tune our adjustments as needed. In most cases, it is best to think of the implementation process occurring in stages of progressively more fine-tuned operations and steadily increasing accountability. We need to become "educated" one step at a time and monitor our progress regularly to ensure we are on course. During the process, we need to communicate our reactions openly with each other. As mentioned earlier, doubts should be expressed early in the decisionmaking process before we are too far along with implementation.

We have discussed some of the issues related to change that we've learned from our experience in GAO. We've noticed that change is a difficult process for us all because of its ever-present quality and disruptive effects on our natural equilibrium. In spite of this, change is here to stay whether we like it or not, and we're better off facing it head-on rather than avoiding it. To improve our chances for success and comfort, we need to anticipate and proactively plan for change, whether we're a manager or subordinate. Changes can have positive consequences for us all, and we should continually strive to fulfill their positive intentions.

### **The Fine Points: Specific Behaviors in Coping with Change**

There is probably no one in GAO who would argue with us if we said, "Changes are very difficult." As we have pointed out, there are good reasons for this. But no matter how difficult change is, there is only one response to it, and that is to ask yourself, "How will I (we) cope?" As mentioned earlier, the staff and management of GAO have provided us with a wealth of shared experience on successful ways of coping. From this we would like to draw some specific observations and suggestions that might help you.

### **The Stages of Positive Change**

We have noticed a thread of continuity which connected successful instances of coping. Each change effort tends to move through a series of continuous and distinct stages.

Initially, we noticed an atmosphere of anticipation. People were looking ahead constantly to see how relevant their actions were to the future, and what new demands might be placed on them. Thus there was less of a surprise when a demand actually materialized. Secondly, we saw there was a great deal of preliminary work done in formulating decisions, goals, and policies in response to demands. In this stage, there was intense effort made to collect reliable information from every layer of the organization so that the decision was based on a full awareness of, and sensitivity to, its effect on the organization. The process of maintaining complete communications continued into the third stage of implementation. Each layer of the organization participated in formulating its duties, based on its relationship to the layers above and below it. Resulting changes were developed in steps of increasing complexity. We noticed how important it was to be aware of, and respond to, the needs of people in the change itself. The last stage was a period of experimentation. At this point the system was monitored so that the plan could be altered if necessary and still maintain its essential direction. Constant monitoring and adjustment helped the effort to arrive at a comfortable and functional change.

The process we have just described was one that always seemed to precede successful changes. We did notice an additional aspect which enriched these stages as they unfolded in different sections of our organization. Managers and subordinates worked together in a full and complementary way. This is to say that each side seemed to be aware of the "problem" and of each other, and were willing to work together to achieve a goal. It seemed like a partnership of some kind. From this we can deduce that both subordinates and managers are a part of all of these stages and that each has a responsibility and

particular tasks to perform which contribute to the success of each stage and of the whole.

Based on the stages and this partnership, we would like to make a few suggestions which might help you improve your chances in the process of change.

### **Specific Behaviors**

#### **Suggestions for Managers**

1. Anticipate change; expect that it will continue to happen. Have a steady flow of information from your environment so that you can predict trends and have an idea how you and your people will respond to them.

2. Have clear goals and purposes for innovations in which you are involved. Make sure that you are planning a change to effect a goal, not vice-versa.

3. Express your doubts to *superiors* and *peers* when changes are dictated from above. Resolve your doubts with them, *not* your subordinates.

4. Articulate your intentions clearly to your superiors, your peers, and your subordinates. Do this as diplomatically as possible so that avenues of accommodation remain open.

5. Maintain a constant stream of diverse and accurate data from all levels of your organization on immediate and anticipated problems.

6. Make contingency plans, based on your feedback network, for changes and their potential effects and for problems you can forecast. Assume that there will be problems.

7. Include people from all layers of your organization in decisions that are appropriate to the work they do. Seek their observations on all changes. If your staff's full cooperation is required to implement this change, this is the only reliable way to ensure it.

8. Specify, verbalize and teach required changes in behavior.

9. Hear criticisms as legitimate symptoms of difficulty in working through changes, rather than as undermining. Value such clues as opportunities to clear up difficulties and make changes positive. Maintain flexibility in implementation by

keeping communication open and monitoring the process.

10. Recognize the effects of change on human beings. Work with the negative and build on the positive.

11. Remember that change takes time. Sensitivity to the timing and speed of innovations will enable your subordinates to accommodate them.

**Suggestions to Subordinates**

1. Anticipate that changes will occur in your career. Keep your long-term goals in mind. Your success will depend largely on your ability to rise to these occasions and deal positively with them.

2. Take active responsibility for finding out what events and changes are taking place. Seek clarification and education. Do not be discouraged if this seems difficult. You can help educate your organization to the need for accurate information.

3. Examine fairly the pros and cons of change and your personal reactions to it; be willing to accept the positive intentions behind it. Seek out positive intentions and look for goals.

4. Express your dissatisfaction and ideas diplomatically, early in the process, rather than feeling disenfranchised and sabotaging the process later. Work to keep avenues of accommodation open.

5. During the change process, offer your ideas on how the change could best be implemented. Managers who may not be willing to abandon an innovation will probably be open to suggestions. Help the boss make change as positive as possible.

6. Take the responsibility to learn and understand the changes to determine how they may be beneficial for you.

7. Involve yourself to see how things will affect you. Find ways to make change more positive for you. Adapt change to serve your interests.

8. Recognize the fears and negative emotions that change elicits and work to resolve them. Help peers when you see them having difficulties.

9. Work with your peers to arrange a change beneficial to you and the organization. Individual competition to rank high in the new order is natural, but try not to let it get in the way of positive change or working relations.

10. You may find that a change may be good for the organization but is not good for you personally. If accommodations on change still aren't workable, realize that you have a choice and can leave the organization for a happier setting. If you decide to stay and "bite the bullet," try not to let your frustrations interfere with fulfillment that your peers may experience in it.

**Conclusion**

Change is an ongoing process for people and for organizations. Rapid technological advancement, however, has escalated environmental differences to such a degree that it is necessary to be much more precise in our approach to this

natural phenomenon. An example of a response to such pressures can be seen in the changes which have been instituted in GAO in the last few years, as our organization has attempted to become more relevant and timely.

When we experience change as an improvement, when we feel in control of the change and see that it provides opportunities for us, we respond with an attitude of excitement and challenge. If fully informed, we tend to experience feelings of trust and a renewed interest in our work and organization. We tend to think in terms of the good of the agency and its service to Government. But when we feel a loss of control, we feel uninformed, powerless, or overwhelmed, and we respond with depression, resignation, blame, distrust, frustration, or sabotage.

We have achieved both results in GAO. Let us all, managers and staff, learn from each other and work together to keep this a superior, and livable, organization.



