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Professor Cameron Anderson discusses how to successfully lead change initiatives on a broad scale. Anderson outlines four key components for enacting change, both organizational and individual, and the three phases of change.

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Cameron Anderson: So today we're going to talk about using influence to lead change.

And today's topic is slightly different than the topics we usually focus on in the sense that what we often focus on in this class is dealing with people with whom you have immediate contact, trying to persuade and influence people like your colleagues, your co-workers, your boss, the people who are in your immediate environment.

Today's topic is really about leading change and influencing people on a much broader scale, whether you're trying to get an entire division or department or even an entire organization to change their behavior, to do things in a new way.

And because of this broader scale, and for other reasons I'll get into, leading change and influencing people on this broader scale is probably the most difficult thing you'll do in your career.

It's something that most people fail at and they fail at wildly a lot of estimates say that 90% of change initiatives fail and they fail very quickly.

So why is it so difficult?

Well the biggest and most important reason is that most people are highly resistant to change.

They don't like change because they like the status quo they're very comfortable in what they're doing.

They might have specific costs associated with the change.

So these costs might involve political costs.

Some people might lose out in political capital if certain priorities take place in the organization that weren't there before.

If some of their alliances might break apart or erode, if essentially what they've been doing so far is less valued.

For all these reasons you're going to face a lot of different resistance among a broad range of constituencies.

And so what we're going to talk about today, broadly speaking, is what kind of influence tactics you should use in influencing change in this broader scale, on whom you should use them, and when.

It's a somewhat complicated process but we're going to divide it up into four different topics, sort of breaking it apart into each component of the change process.

And once you understand each of these specific processes, then leading change becomes much more intuitive and much easier to engage in.

In the end as you'll see, as long as you're using the right change processes, the most effective strategies then you won't become part of the 90% that fail.

In fact, you'll be in the 10% that succeed.

So the first of the four topics I want to talk about is that the effectiveness of a specific influence tactic, or what was called an influence lever in the change management simulation.

The effectiveness of each of these influence levers is going to depend on the organization's phase.

All organizations need to go through three specific phases and they need to go through these phases in order for the organization to fully adopt and embrace this change.

And this change can be anything: it can be a new process, it can be a new procedure, some new executive information system, some new sustainability initiative as we saw in the game that you played this week.

And these three phases move from the unfreeze phase, that's the mobilization phase—this is where essentially you have to make more malleable and fluid what is currently occurring in the organization: the assumptions that are current in the organization, the structures, the processes, essentially allowing people to open up their minds so that they'd be more willing to change.

Once you move from that phase into the change phase, then the actual movement happens.

So, in the second phase is really where a lot of the action takes place.

This is where actually people move from doing one thing in one way and doing that same thing in another way.

This is where people actually change their minds and they see the wisdom of this new approach.

The third phase, although it's often overlooked by a lot of change leaders, is perhaps the most important because the third phrase, the third phase, excuse me, is about refreezing the organization after it's made this change.

So it's not enough to get people to do something in a new way.

You also want to institutionalize it in some way so that it sticks, so it's refrozen, so that it's part of the structure and the DNA of the organization.

Now, one of the most important points about this phase model is that you can't force or try to speed up the change process, you can't skip over any given phase.

You have to understand that all organizations have to go through each of these three phases in order, and I say that because what many change leaders do that leads to failure is they'll immediately introduce some new change to their organization and then they'll institute it right away.

They'll try to change the reward structure of the organization or they'll try to change some structure or create a new department or task force or role or something that is seen by the people that you're trying to influence as too heavy-handed.

We're going to talk a lot in this class about psychological reactant—the notion that people don't like to feel pushed around, they don't like to feel as though they're being told what to do.

So in this case what that means is in the first phase you really need to convince people.

You need to get them on board that this change is necessary so that they have their own personal motivation moving forward and they can actually help you lead this change as well.

If, on the other hand, you move too quickly into institutionalization, they feel as though this change has been handed down to them, it's been too forceful, it's been too aggressive essentially and they've had no voice in the process.

Now, another point with regards to this three-phase process is that you can't use overly aggressive methods in the very beginning.

You have to use a sort of soft-handed approach, especially early on in phases.

So the way that's played out in the game you played is that there were these three phases in the game: there was the unfreeze, the change, and the refreeze phase.

And you also could choose from all these different levers of these different influence tactics in the game and these tactics varied in how disruptive they were.

Some of them were minimally disruptive which meant really you're using a soft approach.

You're trying to get people aware of this new idea, the sustainability initiative.

So you're conducting interviews, you're listening, you're using a much more pull approach to get people on board, you're making them aware through emails, you're

telling the early success stories, you're building a coalition of people who seemed to be interested in the very beginning, but nothing too assertive, nothing too aggressive.

Then when you get enough people interested and aware of this new idea, you can move to the change phase where things actually happen.

So this is when you give people the tools and the skills and the training they need to actually adopt this new change, like "how do I actually go about doing this?"

This is when you do things that are a little more heavy-handed, like clarifying the values of the organization.

This is when you I tell people "look, if we care about X", in this case it was sustainability, "and if we care about the environment, then this is a good idea, this is in line with our core values and our core mission."

Now in the change process, of course, as this moves on, you're then going to as you gain momentum and get change-adopters on board, you're then going to want to use a little bit more assertive approaches.

This is when you can use the more highly disruptive levers.

So this is when you can finally confront resisters.

I'm going to talk about them in a moment.

This is when you can actually create goals and deadlines, telling people what they need to do and by when.

But I want to reiterate something I said earlier, if you try to make goals and deadlines too early, people are going to feel too pushed around, they're going to feel too manipulated, so to speak.

So it's only in these final phases, this refreeze phase, when you're institutionalizing this new change that it's more credible, that it's more legitimate that people will accept being told "ok, this is our goal and here's how we need to do it and by when."

The second related point that I wanted to touch on today is that not only do organizations have to go through these three phases in order but individuals have their own set of phases that they have to go through as well.

By that I mean, even though the organization might be let's say in the change phase or they might even be in the refreeze phase, some specific individuals might be in their own unique phase that's different than that.

And so not only do you have to consider, broadly speaking, sort of on a macro level what phase the organization is in but also if you're trying to influence a specific individual—where does that specific individual lie, how ready are they to adopt this change?

And just like organizations, if you move too quickly, if you use the wrong approach on a given individual because it's the wrong timing, it'll fail.

Now, these are the four phases that were presented in the game and these are actually the four phases that in the real world all individuals have to go through in order.

So that essentially, you get them aware of it, you make sure that they know that it exists.

That's the first and obvious step that even a lot of people don't try to take effectively.

The second phase of the interest phase.

Not only do they need to be interested in it but they need to become curious about it, they need to be interested enough that they start to seek out information on their own.

From the interest phase then comes trial.

If their interest builds enough, they're going to say to themselves "okay, I'm ready to try this out, to see if it works for me"

If it's some new information exchange system "okay, I'm going to try this out, is this

something that's going to work for me day in and day out?"

And then if their trial phase goes successfully, and it should if this is a good idea, then they'll move into the full adoption phase.

That's when they actually could decide to themselves "okay, I'm willing to do this from now on. I can see the wisdom of this new idea."

So similar to organizations, you can't try to push someone too quickly through them and you can't skip any of the phases.

You can't make someone aware of this new change, this new idea, this new approach and then immediately say "okay, are you ready to adopt it?"

They have to buy into it using their own sort of process, they have to look into the information themselves, they have to try it out themselves before they fully onboard with you.

The third point I wanted to make is that some individuals are more open to change than others and this is something you probably noticed very quickly in the game.

Some people were very open-minded to it.

They were ready to adopt this change much more quickly than others.

Other people, on the other hand, are much more resistant and it took a lot more work and effort to get them on board.

Now, there's many reasons why this might be the case.

The first is that different personalities might lend to people to be more or less open to change.

Some people are just more conservative by nature, they don't like new things, they like the status quo.

Other people, on the other hand, are much more experimental.

They love new ideas, they get bored more quickly, they don't like the status quo.

Another major reason is that there might be political or personal reasons for this specific change to be somewhat aversive to them.

It might be the case that they're going to lose out in some way, it might be the case that they see specific flaws in this idea.

Now, in the case of variation across people, in any given organization what you tend to see is a very standard normal curve.

So innovators on the left-hand here—these are the people who are essentially the most experimental.

They love new ideas and what it takes to get them on board is actually very little.

All you have to do with innovators, and they're often called market mavens, is to make them aware of this idea.

They love new ideas, so they start looking into information about it themselves.

The second group are the early adopters and the early adopters are also open to change, not quite as much as the innovators, but they're also very open-minded, in part because they're brokers.

Brokers, again, are people who are very socially networked, they have a lot of ties, and they tend to also span across organizational boundaries.

Meaning they know a lot of different people across the organization who don't necessarily know each other.

Now, these people, because they're connected to everybody, are connected to innovators.

And so they're obviously going to be more aware of this, they're going to be more interested in it because they're hearing about it before anybody else.

But the other component about early adopters is because they're brokers they tend

to be more interested in a broad range of things.

They know a lot of different people, they tend to just by nature of their personality be interested in learning more.

So the innovators and early adopters are really some of the first people that are open to this change, and then they're followed by the early majority.

The early majority, I would say most people fall in this bucket that I've come in contact with.

These are very pragmatic people, these are people who are willing to change but not for change sake, not because they find it interesting.

They're convinced essentially by hard arguments, show me the data, show me that this is going to have a tangible concrete benefit for me and then I'm willing to change.

The late majority, on the other hand, are a very different breed.

These are people who are willing to change, not because it's a good idea, not because they love change.

In fact, they don't.

They're willing to change primarily because other people around them are changing.

These are the bandwagon riders, these are the sheep.

These are the people who as different information and different new ideas get spread around in a social network, these are the people who are less willing, less willing, until finally, there comes a point at which it looks like the majority around them are adopting this new idea and then they jump on board.

Finally we have the resisters.

The resisters are the people who are the hardest nuts to crack.

As I said before, they might be resisting because it's their personality or because they have specific ideas that don't coincide with this change.

But whatever the reason is, these are the people who essentially are going to be your your toughest targets.

Now, in the game here's how the names broke down.

So you were essentially the innovator, you were the market maven.

The early adopters were Henry Adams and Leslie Harris.

There are large groups of people here in the early majority and the late majority and then the resisters were Andrew Chen Paul Darcy and Luke Filer.

And the reason why these people were resisting was not because of the personality but because they had specific reasons.

So, there were legal reasons.

Andrew Chen was afraid that the company would get sued if they didn't live up to these new standards.

Paul Darcy was the CFO so essentially he was against it because it was going to cost money.

Luke Filer with in Operations and this was going to be a new way of manufacturing the sunglasses.

And so again, there were specific reasons why they were against it.

Now, the way in which this played out in the game was that it was much more difficult to move resisters along through the four phases than it was anybody else.

Early adopters were relatively easy.

It only took one point, so to speak, to move them into the awareness phase, three

points to move them in the interest phase.

For resisters, on the other hand, it took a lot more points.

And this is true to real life because the resisters are so dug in and they so wish that the status quo would remain, it's going to take that much more effort and it's going to take that much more energy to get them to move.

Now the last point I want to touch on, and then I'm going to tie these points all together, is that openness to change is highly contagious.

Much like any idea, much like any other meme or new fashion or trend or fad or anything like that, it spreads through social network ties.

People are much more willing to change if their close colleagues, their co-workers, if people around them are open to this change and if they're already adopting it.

So, what this meant in the game is that it was important to come to learn who worked with whom and who were friends with each other.

So there were two kinds of ties in the game: there were formal ties, in other words, who tended to be more in frequent contact with each other at work but also there were social ties.

Who are the people who are friends with each other, who shared outside activities together, who are on the nonprofit board together?

You know, all these types of things that get people to be closer to each other personally outside the workplace.

Now, there's a couple things that were interesting.

One is if you tended to, notice this over time, if you tended to get someone on board who tended to be highly networked, somebody who had a lot of ties in this column, well, they had an impact on the people around them

But it also tended to be the case that if they had social ties, those had a bigger impact.

In other words, if two people were friends with each other and one person was more open to this change, well, the other person had a much higher likelihood to being open to that change.

Those social ties tended to be much more influential and again this was built in the game to be true to life in.

In real life we see this all the time.

We see people being much more open to change or new ideas or to being persuaded if it's their friend or their close co-worker who is trying to persuade them.

OK, now let's put these few ideas together into what I'll call the innovation adoption lifecycle.

You see the graph here again that shows the normal curve, the innovators on the left, the early adopters, the early majority, the late majority.

And what one of the implications of this idea is that because innovators and early adopters are more open to this change, and then the early majority is also relatively more open to this change, you want to focus all of your energy and all of your resources into convincing them first.

These are the people that you want to target first in a change initiative.

Oftentimes people will think "well, I should focus on the resisters first because if I can convince these people that this is a good idea then everybody else will fall like dominoes. These are the hardest nuts to crack and so everyone will be easy after I get done with the toughest cases."

It's the exact wrong approach.

Because what'll happen if you're focusing on the resisters is you're going to have to put more time and more energy into these people and if time passes by, the whole change initiative loses momentum.

And that momentum loss is symbolic.

Other people take it to mean, maybe this isn't a good idea.

So rather than focusing on the resisters, you start with the low-hanging fruit.

You start with innovators, you start with early adopters.

And what you do is you allow the early adopters to begin helping you lead this change.

Because they're brokers they're going to know a lot of people in the early majority and they're going to help convince the people in the early majority that this is a good idea.

Once they've done that, the early majority are on board, there's this thing called the tipping point.

At the tipping point is when a lot of your work is done already.

At the tipping point, all the energy and influence and all the effort that you put into the innovators, the early adopters, in the early majority is going to start flowing into the late majority and even the resisters.

By that I mean, remember what I said about change initiatives being contagious.

As soon as you have the majority of the organization on board, the late majority is going to come along too because they're going to see that everybody else is already doing it and once you have the late majority on board many of the resisters will be forced to come on board too because they'll be the only ones left standing.

So what's interesting is is you see these two lines on the graph here—this dotted line is one that most people expect when they think about change adoption life cycles.

By that I mean, you get innovators on board, then early adopters, early majority, and in a very linear fashion more and more people begin to adopt this change.

But what happens in reality is it tends to be an s-shaped curve much steeper than this one even.

By that I mean, change begins slowly being adopted by people and you put a lot of effort into it until finally there's this tipping point.

This tipping point is when you have innovators, early adopters, and the early majority on board.

Then a lot of your work is really done for you.

These people helped convince the late majority and the resisters to come on board and the change really takes off.

You ride that wave essentially to being fully into the refreeze phase.

So let me sum up very quickly I wanted to convey four different points today.

The first one I wanted to convey is that organizations have to go through three phases of change in order: unfreeze, change, and refreeze.

You want to use different tactics for each of these different stages.

Which means use more soft-handed approaches in the beginning, you increase awareness, you increase interest, and then you can gradually use more disruptive, sort of what you might call more heavier-handed, approaches later on.

The second point I wanted to convey is that individuals just like organizations, have to go through their own phases of change: awareness, interest, trial, and adoption.

These four phases have to proceed in order.

You can't force someone to go from awareness to adoption.

You can't hope that anyone's going to skip from one phase to another and bypass any in-between.

The third point I wanted to convey is that different people are more likely to be

open to this change than others.

Which means essentially, you're going to have to put more effort into some people than others.

And then if you put all these ideas together, the fourth point is that essentially you leverage social networking effects, you leverage these tipping point effects.

You target the lowest hanging fruit first the mavens, the brokers, then the early majority.

By then a lot of your work is done.

They're going to help you convince the late majority and the resisters and at that point you're done.

So I'll sum up by saying you know I started off by being somewhat pessimistic and cynical about change initiatives and I think there's a lot of reason for that.

Most change initiatives fail but the reason why they fail is that people don't take this kind of approach.

If you take this very scientifically valid approach and going through each of these processes and you see how these components fit together, then you can lead change extraordinarily successfully and we've seen this time and time again across industries across roles.