

THE JOURNAL OF PERFORMANCE THROUGH PEOPLE

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Becoming more commercial: East of Scotland Water
From the top: Springboard Housing Association
On the point of change: Kettering Borough Council
Reinforcing new values: Vertex Data Science
Safer operations: Tyne and Wear Fire Brigade
Pilot champions: South Eastern Education and Library Board
Nursing ambition: Walton Centre NHS Trust

BT's division dealing with its 4,000-plus major account customers has scored a massive 36% rise in customer satisfaction, while making savings of 17% and reducing its employee headcount. Rachel Brown shows how it has done this by placing competencies and emotional intelligence concepts at the heart of its strategy.

Dramatic changes in how people view work will challenge human resources and training professionals, delegates to the 2001 Chartered Institute of Personnel and Development conference were told. Sue Milsome reports.

In the changeable marketplace of the telecommunications industry, Lucent's competency framework is helping broaden perceptions of its employees' potential to contribute much more than just their technical skills. John Warner reports on a line-manager-led initiative.

EMOTIONAL INTELLIGENCE

Louis Wustemann reports back from the 2001 competency conference, where delegates heard the latest insights on competency development and usage from speakers including Richard Boyatzis and Dave Ulrich.

Effective leaders are desperately needed in these troubled times; Tim Sparrow surveys the history of our understanding of leadership and provides the latest research findings about the ingredients of success in this key role.

Law closes in on selection practices

In this article, Geetu Orme and Sean Germond outline the relationship between emotional intelligence and managing change. They describe why organisations should give attention to emotional intelligence as part of their change efforts.

Margaret Burrell describes a disastrous redundancy exercise using competencies that led her to develop a theory that competencies have the potential to make redundancy selection as acceptable and fair as it can be.

Louis Wustemann talks to Mark Slaski, whose research among managers at leading retailer Tesco shows a link between stress, work performance and emotional intelligence.



MANAGING CHANGE

Emotional intelligence in changing times

In this article, Geetu Orme and Sean Germond outline the relationship between emotional intelligence and managing change. They describe why organisations should include emotional intelligence in their change-management programmes.

The world will never be what it used to be. Human nature has always desired a life of certainty, of predictability, fiercely hanging onto the belief that our future can, and will, be an extrapolation of the here and now.

The new millennium (or the “post-modern world”) requires us to redefine our skills and practices to enable us to explore new paths and new uncertainties. We have emerged from the stasis of the cold war, and entered a world filled with new dangers, new challenges. The global village has become a reality, and we – as individuals and organisations – are having to understand and respond to this fact.

Radical developments in technology have resulted in the traditional boundaries of time, geography, title and function being broken. The human interface with technology, however, is increasingly becoming a problem as aberrations in the design of technology (development for its own sake, form not following function) are leading to smart systems that are not aligned with human needs and desires. It is ironic that during a time of such rapid technological change, we find ourselves beginning to understand and appreciate the role of emotions in governing effective responses to the world and other people.

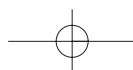
These changes in the world have resulted in organisations and their management having to redefine leadership, business practices and customer relationships (from suppliers to end-consumers of services). The business relationship has shifted from an adversarial one to one based on partnership. This has immense implications in terms of emotionally intelligent practices, both in managing change and being an effective partner in these new relationships.

The changing world we live in . . .

- turbulent and changing markets (uncertainty and ambiguity);
- productivity at lowest cost;
- the global village and international markets and standards;
- the changing world of governance in the organisation – moving away from the military model of the industrial revolution to one of co-creation and co-determination (democratisation of the workplace and participative leadership practices);
- cultural amalgamation and transient relationships (“a company of strangers”);
- the need for dynamic organisations to respond to rapid change and the rise of the information age;
- the new “psychological contract” (job security for performance and competence);
- the integration of work and personal desires – “my vocation is my avocation”;
- redefining our relationships from adversarial ones to ones of partnership – both internal and external to the organisation;
- the need to become a “paradigm pioneer” – to turn from the path and head across the wilderness of new realities, new practices and new competencies; and
- the need to address entrenched myths (the stereotypical employee; family is a woman’s issue; health is a personal issue/concern).

“The increase in power demands a greater ethical responsibility in its exercise.”

Carl Jung



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THE NEW PSYCHOLOGICAL CONTRACT

The changes in our world mean that the “psychological contract” between the employee and employer has undergone a significant transformation. The contract is now a transaction based on mutual rights and responsibilities, defined by expected levels of performance. The organisation where employees are given job security based on loyalty, obedience and commitment is rapidly becoming a thing of the past.

The future of organisations as we know them will be characterised by a far greater need to manage what we call the “unholy triad” of Profit, People and Principles. Organisations will need to consider the principles on which their businesses are run to ensure that there is minimal detrimental impact on employees, society and the environment as a result of their profit-making activities. Finding a new way of operating will be a major challenge, and will require high levels of emotional intelligence for effective governance in a less coercive yet performance-driven environment.

NEW REALITIES REQUIRE NEW PRACTICES

The realities of a changing environment require us to develop new ways of thinking about the world. For management, there must be a paradigm shift in philosophy from what its harshest critics would now call a “malignant model” that is outmoded and dysfunctional, to a more caring, humanistic model. This new order uses best-practice economic principles to achieve its profit margins and protect shareholder value, while focusing on people to achieve its ends.

For example, instead of a military-type hierarchy, organisations must be flatter and more functional in structure. In place of viewing employees as unwilling captives, they will be seen as volunteers, and their management will move from control and supervision to help and guidance. This will demand different approaches to being a manager, focusing not on title and authority, but only on the character and credibility of the person and their ability to influence and facilitate those they work with. For employees, Frederick Herzberg’s old theory about the hygiene/motivation balance involved in managing employees effectively will shift from an emphasis on fear and threat (based on pay and benefits) towards a focus on each person’s ability to add value, where pay and benefits are strongly supported by enjoyment.

For leaders of organisations, box 1 above highlights the shift in competencies that change demands, moving from skills that excel in times of certainty, to those suited to ambiguity and uncertainty.

1. New leadership competencies

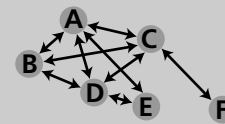
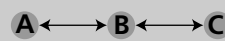
Change requires new perceptions, new paradigms

Old world

- Mechanistic
- Single, fixed reality
- Objectivity/reason
- Linear cause and effect
- Certainty
- Dualism (either/or)
- Rationalism
- Predictability

New world

- Systemic
- Multiple, fluid realities
- Subjectivity/intuition
- Patterns and circularity
- Ambiguity/uncertainty
- Holism (both/and)
- Emotions
- Chaos



THE HUMAN IMPACT OF CHANGE

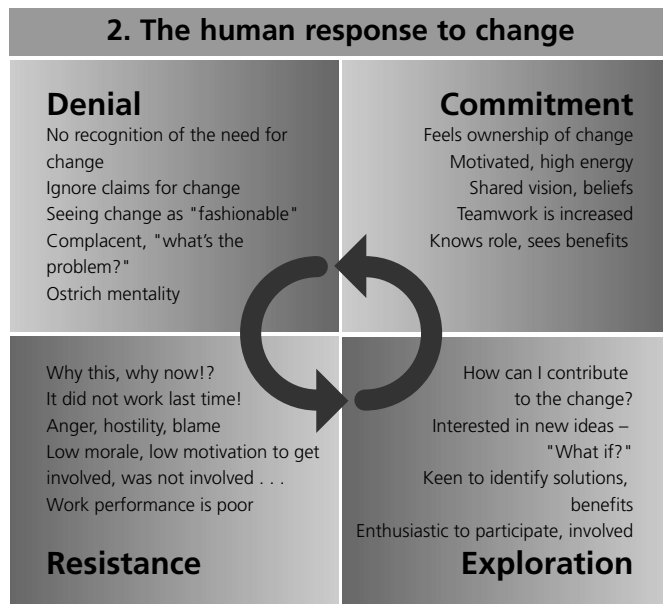
Humans are creatures of habit. In fact, our whole development in life is a process whereby we move from a state of unconscious incompetence to one of unconscious competence. As we grow and learn, we develop habits and ways of behaving that contribute to our sense of meaning in the world and our own sense of identity.

This means that we do not like to change; we find having to give up tried-and-tested behaviours very discomfiting, unless we see the opportunity in the effort required to develop new ways. We strive for consistency in our experience of the world and our relationships with others. For the most part of our lives, we only change when we are forced to change: either through circumstance or significant events. Sometimes, however, we seek change because of a desire to focus on personal growth rather than merely reacting to developments around us.

In the business environment, change is frequently inevitable, imposed and non-negotiable. Such changes can have a significant impact on employees, and one can expect people to experience a range of emotions not too dissimilar to that of a grief response (the experience of loss).

The model shown in box 2 on p.24 is based on well-accepted principles that determine the human response to change. It provides a useful way of identifying the stage a person has reached in their emotional response and, in the employment context, it can help in the management of employees’ responses to changes occurring in the organisation.

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EMOTIONALLY INTELLIGENT CHANGE MANAGEMENT

Change initiatives that fail to take account of the perceptions of employees (the initial denial stage shown in box 2) often fail because they are hit by the emotional backlash of people under threat (the second stage of resistance). The ability to manage people so they are willing to explore the desired future is the biggest challenge of any change management programme.

Stage 1: beyond denial

A sure sign that a change initiative is about to fail is when people do not recognise that the change is taking place (or, if they admit change is happening, will not accept that it will have an impact on them or their department). These forms of denial have their origins in the perceptions that individuals have developed. They may lack information on what is happening, or they may dislike the information that they have been given or found for themselves (this is emotional self-preservation – a classic psychological defence mechanism where the ego protects itself from the discomfort of the experience).

Organisations must take four steps if they are to break down these barriers of denial. First, they must communicate frequently, explaining and discussing the planned change in a consistent and unequivocal manner. Second, they must back up this communication exercise with tangible evidence of the change and describe how the future will

look after the change. Third, they must provide opportunities for employees to talk about their understanding of the desired change. This allows them to check their perceptions and engage in a dialogue with the organisation. Fourth, organisations should ensure that employees are aware that the intended change is not unique, and that other organisations have experienced it. Benchmarking processes should be used to identify examples of best practice in implementing the change, and the organisation should communicate this experience to staff.

"People always ask: 'Is the change over? Can we stop now?' You've got to tell them: 'No, it has just begun.' They must come to understand that it is never-ending." Jack Welch (General Electric)

Stage 2: persistence despite resistance

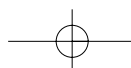
When people realise the change will require change for themselves, and they begin to express their fears and unhappiness, they will need to find appropriate avenues to ventilate their emotions. This requires the organisation to provide forums for people to talk about their experiences and to direct/ventilate their anger towards an object/person/situation.

It is important, too, for the organisation's leaders to be seen to be empathetic. Further, the organisation should help its staff to make sense of what is happening, and to take their first steps towards developing coping strategies for managing the change. This could involve career counselling and reskilling programmes. Finally, at this stage in the process, an organisation should continue to present the tangible and compelling images of the desired future.

Stage 3: exploring the benefits

Once the initial shock and unhappiness have been experienced, it is natural for humans to begin to take tentative steps towards making sense of what has happened. As humans, we are "sense-making beings", and will naturally begin to develop a new understanding and sense of meaning of what has passed. However, organisations should ensure that this transitional stage is managed effectively to ensure that their employees move onwards, and do not slip back into either the resistance or denial stages.

This means that employers need to continue to communicate details of the intended change and begin to demonstrate some tangible evidence of the benefits of the change. But, as well as information



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provision, they should also create opportunities for people to agree the guiding principles to support what needs to change. Beyond this, organisations should involve staff in more detailed discussions – a form of mutual exploration – about the implications of the change. This discourse should cover such topics as business and leadership practices, roles and responsibilities, required skills and resources, and plans linked to them.

Stage 4: mutual commitment

Hopefully, the efforts expended by the organisation and its staff have brought them to stage four of the change cycle, where individuals begin to commit themselves to the new order, embrace the agreed specifics of the change and get back to work. It is vital, at this stage, that the organisation provides a regular review of each person's performance, providing them with quality feedback and agreeing any corrective actions. At the same time, it should create a climate where mistakes are tolerated while individuals begin to learn new skills and new practices. Success should be reinforced and, as well as celebrating important milestones as they are achieved, the organisation should recognise individuals who have made a difference during the transition.

EI COMPETENCIES TO SUPPORT ONGOING CHANGE

Emotional intelligence (EI) competencies are essential to support change initiatives, especially in terms of superior work performance and outcomes while maintaining workplace relations. Dr Reuven Bar-On, one of the pioneers of emotional intelligence and developer of one of the most widely used assessment instruments of EI, the Emotional Quotient Inventory (EQ-i), has broken down emotional intelligence into its component parts. His model shows that some aspects of EI stand out as being important for managing change:

- *reality testing*: assessing the links between subjective interpretations and objective facts; staying grounded and realistic;
- *problem-solving*: being able to apply step-by-step problem-solving;
- *assertiveness/empathy*: combining an appropriate level of assertiveness with high empathy to read emotionally how the change initiative is being received;
- *social responsibility*: taking actions for the greater good of the team, the organisation and the community;
- *interpersonal relationship*: having the ability to build close relationships characterised by giving and receiving affection;

- *emotional self-awareness*: being able to tune in to how you are feeling and why you are feeling it;
- *flexibility*: being able to adjust thoughts, feelings and actions to cope with the changing context; and
- *impulse control*: having an appropriate level of patience and the ability to resist the temptation to do the first thing that comes to mind.

In the context of a change initiative in the workplace, it is useful to start with an assessment of the emotional intelligence of the leadership team or the change-management team.

Why change initiatives can be "hijacked" by emotions

With the increasing sophistication of our technology, we have the benefit of observing the brain in real time, and we are thus developing a better understanding of the infrastructure, or "hardware", of the mind. This empirical research supports the earlier philosophical and theoretical work that was pioneered by Freud and Jung in the early part of the 20th century.

Essentially, we now understand emotions not as "feelings" but as a set of survival mechanisms that have evolved to turn us away from danger and propel us forward to things that may be of benefit to us. Once we see emotions as basic survival mechanisms driven by biological impulses, we are able to understand that we cannot do away with them in our lives. As humans and as mammals, we are basically emotional beings whose lives are based on how we express and satisfy very deep biological drives. This means that our emotional response to change is based both on loss and on perceived threats to our integrity.

To appreciate fully this resistance to change, it is useful to consider our own experiences of when our emotions literally get the better of us, often to the detriment of our performance in a particular situation. This experience is based on the survival mechanism that is "hard-wired" into our human biology, and has been described as the "fight or flight response".

During an emergency (whether actual or perceived), our brain reverts to simple, tried-and-tested response patterns, often banishing more complex thought processes while these are in operation. The focus of one's mind becomes locked into the present and immediate, and should you not be aware of what is happening, you may find it difficult to exert your own "free will" (that is, to respond in a self-conscious, determined and controlled way).

You are literally "hijacked" by the primitive aspects of your brain, as warning signals are sent by your brain to the necessary response mechanisms in your body. You are flooded with a heightened sense of urgency and danger; the adrenalin coursing through your veins galvanises you to respond. Unfortunately, at times, your response is inappropriate, and your emotions "boil over", undermining what would perhaps be a more effective and appropriate reaction.

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Box 3 below shows three examples of the EQ-i profiles of people who are currently leading change initiatives for their organisations in Europe and in the Middle East. As the charts show, each of these leaders has different EQ strengths and areas to watch.

You may wish to review these examples and identify:

1. Which leader has the best overall capacity to cope with change.
2. How you would build support for these leaders as part of the overall change effort.

LEADERS AND CHANGE

Earlier on, we considered the change cycle that humans tend to experience when faced with changes to their environment or themselves. We saw how, at each stage, an organisation has to take certain important actions if it is to introduce change effectively and productively. But employers will only be able to take the initiative in this way if they are organised to do so, and if they have highly skilled and emotionally intelligent leaders in place.

■ **Shared vision and values:** organisations must ensure that they have a strong sense of purpose and have been able to gain the “buy in”, or commitment, of their employees to it. Assuming that the change initiative is consistent with this underlying vision, it should be possible for the organisation to gain agreement on the process of achieving the change. Now, more than ever, the processes in the organisation must be seen to follow the corporate vision and values.

■ **Create a change team:** without a team driving the change initiative, there will be no “critical mass”, or momentum, behind the project. Emotional intelligence profiles, such as those shown in box 3, will help the organisation identify those individuals who have the skills and behaviours to lead this initiative. But it is also important to build on the potential of the change agents making up the team. They should be helped to understand fully the need for change, and be given training in leadership, other crucial skills and emotional intelligence

skills. Finally, the team should be equipped with the resources they will require, provided with up-to-date information, and entrusted with the status and responsibility to champion the change initiative.

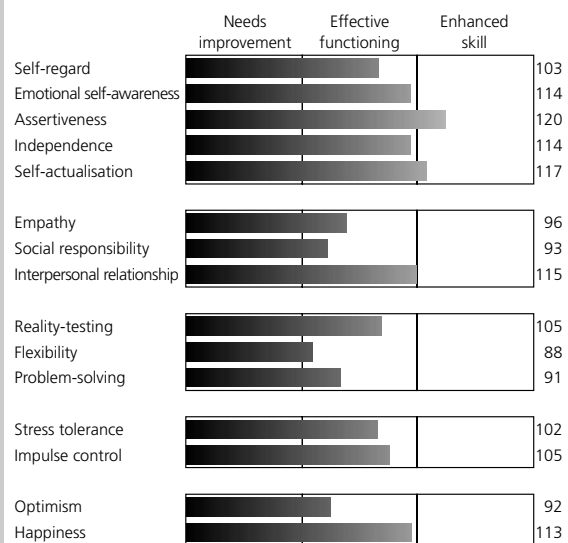
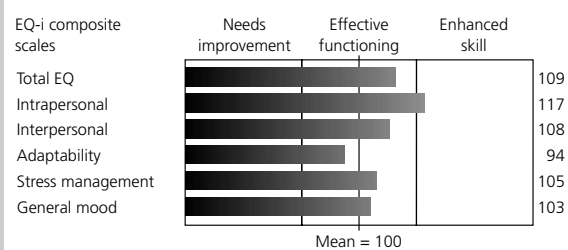
■ **Roll out the change initiative:** the change team should now begin to introduce the change initiative, leading the processes of informing staff and communicating actively with them. Beyond that, the team should act as facilitators and educators, helping staff to understand the change project and their role in it, showing empathy and helping to solve problems as they arise.

■ **Leadership communication:** leaders at all levels, from the change team, to team leaders, up to senior managers, must remember the vital role of constant dialogue and information-giving. They must be visible champions for the project, make themselves

3. Change leaders' EI profiles

Three examples of the EQ-i profiles of people who are currently leading change initiatives for their organisations in Europe and in the Middle East. There is a pair of charts for each leader: their results on the main areas of emotional intelligence (five composite scales and total EQ); and their results for the major component parts of each scale.

Example 1: Board director



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available to staff, and “walk the talk” – putting into practice what they preach. Consistency and honesty are vital; leaders should be frank about those issues that cannot be disclosed until later in the process. And leaders must provide good-quality feedback as progress occurs.

CONCLUSION

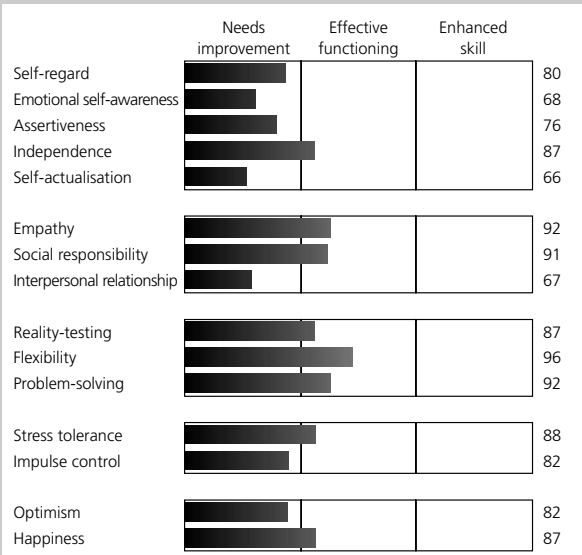
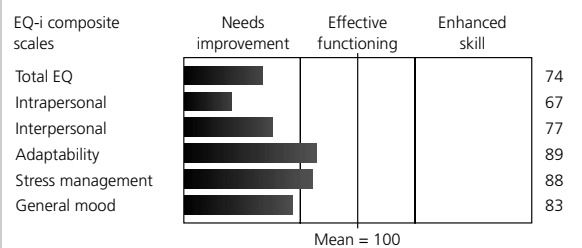
Change has always taken place in organisations; it is the pace and extent of change that marks out the 21st century as being qualitatively different. It is human nature to resist change and be wary of it. That inbuilt tendency, coupled with existing employees’ memories of times of greater stability, represent a great challenge for employers today.

Fortunately, in parallel with the trend towards greater change at

work, we now have a greater understanding of the skills that can help individuals come to terms with change and work willingly with it. Above all, the skills associated with emotional intelligence offer powerful insights and opportunities. Change management can be led by those whose emotional intelligence skills are rich in the areas of relevance to this process. And organisations can take the principles of emotional intelligence and use them to create a better climate at work where change can be discussed and support for it won.

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Example 2: Business unit leader



Example 3: Technical expert

