Psychology of Change

Has there been a discussion of the psychology of change among the group? I have been wrestling with this for the last couple of years as I try to help our clients (business retention) deal with the ebb and flow of the transformation process from how we used to do things to how we want to do things in the NOW.

- We are all familiar with those who seek to undermine the change we hope to implement. I found an interesting reference today to the resistance zoo. I thought was an interesting way to present the archetypes of resistance. (http://changingminds.org/disciplines/change_management/resistance_change/resistance_zoo.htm)
    - o Ostriches: Head in the sand.
    - o Moles: Burrow underground and then they pop up later.
    - o Tigers: Threaten and fight all the way.
    - o Dogs: Powerful in a pack. Fight dirty.
    - o Owls: Wise and knowledgeable fault-finders.
    - o Snails: Just go slooww.

- It's hard for people to take in new information (needed for change) when they are fearful. From my perspective, if you can work with others to reduce their "flight or fight" responses, they can then take in new information and they are much more willing to try new things. This can be done by listening as much as telling, and being aware of how the change cannot only benefit "all" but benefit them.

- The other element of change we wrestle with almost daily now is the transition from the original leader to a new leader who follows. Because of the vagaries of transition planning in economic development, this is not always (or maybe often) a smooth transition. When someone new is named, that person will seldom share the same enthusiasm for the project as the person who originated the action. Hence it is a critical transition fraught with peril. Sparking their imagination as to what is possible and engaging them is not always easy as they seek to sort out their priorities.

Can you tell us a story of good listening that made someone in economic development less fearful, or some pointers on listening?
- It's called active listening and is why we have two ears and only one mouth -- you never learn if you do all the talking -- try Covey's "I have to understand you before you understand me"
- Recently I (Lars Peterson) met with several leaders in our statewide economic development organization about some educational programming that might move the organization in more entrepreneurial direction. During the first part, when I was "telling" about how great this was, I met resistance, When I caught myself and "switched gears" and really listened to what they had to say – they became much more engaged. They said some things I didn't agree with, and I just listened. In the

end, they offered pretty much full support for what we want to do – which never would have happened if I wouldn't have changed how the conversation was going. In my part-time work with young people who have committed crimes and as a mediator, I see this daily. I can't put my finger on it right now, but there is new research out that shows when we are anxious or scared, the parts of our brain that are responsible for complex thinking – shut down. So it sounds like science and anecdote meet on this one.

Resources:
- Businesses and local entrepreneurship and economic development folks: ask them where they have gotten new ideas in the last year that improved their business or organizational performance.
- Social Network mapping and metrics to identify people who bridge the early adopters and early majority. THEY know the way to talk to the majority--listen to them for the language that works. It's important to identify these folks and then set up venues where they can share their understanding with more people. For more interesting information on Network Mapping see www.orgnet.com.
- Gladwell's "The Tipping Point"- it's a very creative and innovative approach to change. Particularly, towards the end he talks about bridging the chasm between Early Adaptors and the Early Majority. These terms have come up in many discussions on change and are two of five categories. The five are:
  - Innovators- the ones that latch on to change immediately, they are the risk takers
  - Early Adaptors- willing to try the change soon after seeing the success of the Innovators.
  - Early Majority- key group in the change process. With the #4 group, they make up the large majority of the entire group and are harder to convince to change, but will do so if we can bridge the gap between the Early Adaptors and the Early Majority.
  - Late Majority- will soon follow suite when the Early Majority accepts the change.
  - Laggards- the sticks in the mud that won't change until they have almost missed the boat.

Lots more can be said about these five groups, but what it comes down to is the Early Adaptors and the Early Majority don't speak the same language, and bridging that gap is where we need to focus. Our active listening skills are critical here.

Gladwell builds on the model Everett Rogers developed in his books "The Diffusion of Innovation" starting in 1962, Rogers' masterful attempt to distill lessons learned from literally thousands of studies done on how people adopt new ideas, approaches, etc. that date back formally at least to the Agriculture Extension Service research of the past hundred years. Regis McKenna shows how to apply it to high tech products back in his 1985 book "The Regis Touch" and his protegee Geoffrey Moore explains it in greater depth in "Crossing the Chasm" and "Inside

the Tornado". "The Tipping Point" is a great introduction but doesn't give you as many tools as these others do.

Not only are they helpful for figuring out how to change things, they're also a useful way to look at and explain how a new business gradually works through the different sets of customers over time (i.e. innovators are the ones who'll try the new business with the bad sign in the lousy location that doesn't advertise and maybe offers a bizarre new service like Wright Brothers Bicycle Repair & Aeroplane Mfg. or Microsoft during it's Phoenix days while the bulk of the market the new business hopes to tap will take many past customers (early and late adopters), long marketing investment, a fairly complete system for satisfying customers conveniently and affordably,etc..   I used to use it a lot in my SBDC days to fine-tune customer potential, sales forecasts, and marketing plans.

From an economic gardening perspective, it's also a useful diagnostic tool, especially Geoffrey Moore's "Crossing the Chasm" as many of the businesses are trying to "cross the chasm" between say Early Adopters to Late Adopters or Early Majority and that requires so many changes in what has been a successful approach (often of employees, let alone business processes, pricing, production, marketing, distribution, locations, financing, etc.) that it's very counter-intuitive and disruptive. It's a point where many companies get stuck or outright collapse so it's useful for both expansions and turnarounds.

You can see the same thing with business improvement ideas with many clients horrified at risky ideas already proven in business 80-100 years or more ago and often in love with concepts and approaches that have always been miserable to use and modest in their benefits. Lean production's 60 years old, depending on whether you date it to Deming & Juran or Toyota, computerized accounting 80 years old (IBM), computer data mining 120 years old (Hollerith & the Census, brand building 150 years old (Singer, Lydia Pinkham's Tonic), the Internet 42 years old (DARPAnet goes online in 1963, direct ordering from national merchants 120 years old (Montgomery Wards & Sears), lean construction's 110 years old, lasers are 40 years old, fuel cells almost 40 years old in application, numerically controlled production equipment and software 220 years old (Arkwright's spinning jenny's punch cards), etc..   just as there are lots of economic development ideas/strategies that haven't significantly worked anywhere anytime, yet remain cherished and heavily invested in, while economic gardening which has generally worked well everywhere and every when remains a highly speculative concept too dangerous to invest significantly in...

- Regarding strategic decisions at various stages of adoption: "Diffusion of Innovations" by Rogers. Adoption and diffusion of innovation has been discussed extensively in the scholarly marketing journals for more than 30 years. Any text on marketing strategy or new product development will include a discussion on strategies to move from early adoption to early majority.