



## **Leading Through Change: How do leaders manage staff and teams through periods of rapid growth and change?** **By Christopher J. Shen**

Paramount to your current and future business success is the calibre and performance of your staff, particularly in a period of rapid growth and change. Indeed, the continued ability of your organisation to successfully implement your business strategy in a changing environment is dependent upon your professional staff that ensures that you remain a progressive, enterprising and commercial business enterprise.

It is important that leaders understand the psychological factors underpinning staff beliefs, motivation, morale and performance in a changing milieu. It behooves a successful business leader to possess an acute understanding, and actively manage and mobilise the motivation of your valued staff members to meet your changing business strategy and needs.

Research conducted with Dr Simon Moss at Monash University indicates that there are several critical factors which impact on staff motivation in times of change. Understanding these factors allows leaders to consider specific recommendations to elicit and encourage staff motivation and performance during periods of rapid growth and change.

### **RESEARCH FINDING - INNOVATION**

#### **Facts**

Individuals who like to engage in new projects without careful consideration—or are merely asked to imagine an instance in which they could not wait to begin a new, exciting venture—are more likely to prefer inspiring, charismatic Leaders.

Individuals who instead prefer to consider all their alternative courses of action carefully and methodically prefer Leaders who specify precise goals, provide regular feedback, and ensure procedures are clear. That is, individuals who like to engage in new projects without careful consideration, and thus seem to comply with the proverb “just do it”, prefer change and variety rather than stability and uniformity. Therefore, they tend to perceive a charismatic, visionary Leader as a person who could ignite this change.

In contrast, some individuals prefer to consider their options carefully and thus seem to comply with the proverb, “do the right thing”. They perceive a charismatic, inspirational Leader as someone who increases the number of possible options. When many options are available, a careful comparison of all alternatives is more difficult to achieve, creating stress and tension. These individuals, therefore, do not prefer charismatic, inspirational Leaders. Nevertheless, this inclination can be changed. Merely forming an image of an instance in which they could not wait to begin a new, exciting venture changes this tendency to follow the proverb, “do the right thing” to the proverb, “just do it”.

## **Recommendations for Leaders**

Many Leaders attempt to initiate change—to introduce novel policies, procedures, or practices—when employees are not receptive. These Leaders cannot determine when employees are most inclined to embrace change and do not introduce measures that precipitate this receptivity to change. That is, many employees feel threatened by charismatic Leaders; they feel perturbed by Leaders who promise change. This resistance, however, can be readily circumvented. Receptivity can be easily cultivated. Employees are more inclined to prefer a charismatic, visionary Leader after they are asked to imagine an instance in which they initiated a new venture, or launched a daring endeavour, without careful contemplation or reflection. They could, for instance, be asked to “Recall an instance in which you could not wait to begin a new, exciting venture....My goal is to inspire that level of excitement”. Even the memory of one example—one instance of risk and courage—is enough to augment the receptivity of employees to change and development. The proverb, “just do it” when mentioned also increases this receptivity.

## **RESEARCH FINDING - INFLUENCE**

### **Facts**

The words that Leaders use to persuade other individuals can determine whether a message is inspirational or deflating. Word such as “feel” or “logical” can enthuse individuals in some situations but demoralize individuals in other situations. In particular, when Leaders use words that relate to emotions—such as “feeling”, “intuition”, or “sense”, employees focus on features that influence their own emotions. These employees, for example, will prefer to engage in tasks that enhance their emotions; they will prefer enjoyable or relaxing activities. When Leaders use words that relate to rationality—such as “sensible” or “reason”, employees focus on features that are logically preferable. They might, for instance, prefer to complete tasks that could earn bonuses.

## **Recommendations for Leaders**

Sometimes, employees need to persuade other individuals to choose a course of action that is logically, but not emotionally, preferable. Managers might, for example, want to motivate employees to work overtime, earning a sizeable bonus. In these instances, they should use words that relate to rationality—such as “sensible” or “reason”. On other occasions, employees need to persuade individuals to choose a course of action that is emotionally, but not logically, preferable. They might want to convince customers to purchase a luxurious, but unnecessary, item. In these instances, they should use words that relate to emotions—such as “feeling”, “intuition”, or “sense”.

## **RESEARCH FINDING - CREDIBILITY**

### **Facts**

Customers are more likely to feel that a prediction that another person proposed was insightful and reasonable if they had been encouraged to offer their own forecast afterwards. For instance, suppose a sales employee suggested, “I think this proposal will be embraced by about 70% of employees” and then asks a customer, “What do you think?” The forecast the customer proposes will, inadvertently, be biased towards the prediction the employee offered. That is, after individuals hear a prediction, they unconsciously consider reasons that support this forecast, which contaminates their own conjectures. Therefore, the customer is more inclined to feel the percentage of employees who will embrace this proposal approaches 70%. Because the customer will offer a similar forecast, they will perceive the prediction this employee proposed as reasonable and insightful—regardless of the outcome.

## **Recommendations for Leaders**

Occasionally, managers need to predict some outcome. They might be asked to predict the duration of a project or the revenue that some product will attract. After, but not before, they offer this prediction, they should ask other individuals to guess as well, with statements such as, "What do you think will be the outcome?"

## **RESEARCH FINDING - RESISTANCE TO CHANGE**

### **Facts**

Employees who cannot control their anxiety, agitation, or irritability effectively are more likely to confuse the suggestions that individuals offer as their own, especially while they feel stressed and tense. To demonstrate, one region of the brain stores the values and desires of individuals. Usually, individuals can utilize these values and desires to decide whether some suggestion was imposed by someone else. In particular, they assume that suggestions that do not entirely align with their own values and desires were imposed by someone else. Anxiety, agitation, and irritability tends to obstruct this circuit of the brain and, therefore, impedes the capacity of individuals to decide who offered some suggestion. This problem does not arise in employees who can readily alleviate their emotions.

## **Recommendations for Leaders**

Some employees reject any ideas and suggestions that other individuals propose. If these employees do not seem to cope effectively when stressed or anxious, you can engage in several practices to overcome their tendency to reject suggestions. First, defer any suggestions until they are reasonably anxious or stressed. Second, perhaps 30 minutes later, if these individuals still feel stressed, seek their approval on this suggestion. You could, for example, ask "So, I'll suggest the change we discussed to senior managers. OK?" When stressed, these individuals are more likely to assume they had already proposed or embraced the suggestion

## **RESEARCH FINDING - RESISTANCE TO RISK**

### **Facts**

After individuals experience a success or some other favourable event, they are usually more inclined to choose a risky rather than safe alternative. That is, they are more inclined to select the option that might afford wonderful benefits but could be futile instead of the option that is likely to offer moderate benefits. To illustrate, consider patrons in a restaurant who receive a dessert they quite enjoy. At the next restaurant, their goal will be to consume a dessert they enjoy even more, because most individuals like to elevate their goals over time. Familiar desserts are unlikely to fulfill this goal; otherwise, they would have chosen these alternatives last time. To seek a dessert they enjoy even more, they become more willing to try an option with which they are not familiar, which could be even more enjoyable but might be unpalatable. Hence, after one success, individuals are more willing to consider risky, uncertain options. This tendency to elevate their goals, however, will not apply to other objectives. After they consume an enjoyable dessert, for example, they will not choose a risky movie.

## **Recommendations for Leaders**

Managers sometimes need to encourage employees to pursue a risky option—an alternative that could provide wonderful benefits, but nevertheless might be unsuccessful. They might, for example, want employees to contact a new account or pursue a new strategy, both of which could be lucrative or futile. In this instance, managers should encourage employees first to engage in a similar activity in which a minor success is almost guaranteed. They might, for example, ask these employees to contact an account in which the manager has already

developed a relationship. Similarly, managers might ask employees to undertake a specific, novel activity and then show how this activity relates to a broader, innovative strategy

## **RESEARCH FINDING - STRESS**

### **Facts**

Employees who have not developed a breadth of skills and abilities – which is more pervasive when individuals do not interact with colleagues from other workgroups and departments – are especially likely to experience a sense of stress, mental exhaustion, and burnout at work. Specifically, this sense of stress, exhaustion, and burnout at work tends to arise when employees feel their careers are vulnerable. This vulnerability is prevalent when the skills and abilities of employees are not suited to other departments or organisations; that is, if their workgroup was terminated, success in their career would decline dramatically. This vulnerability is also prevalent when employees do not interact with colleagues from other workgroups and departments, because they are oblivious to other opportunities. As a consequence, employees who undertake a broad range of tasks – and thus develop a diversity of skills – as well as interact with other departments feel less vulnerable, which curbs burnout.

### **Recommendations for Leaders**

To curb stress, mental exhaustion, and burnout, employees should first be encouraged to identify skills and abilities they have developed that individuals in other workgroups or departments might also want to acquire, perhaps to enhance their future job prospects in other organisations. For example, accountants might feel that colleagues in other workgroups or departments might want to acquire bookkeeping skills if they plan to launch their own business in the future. Second, employees should present workshops that enable colleagues to acquire these skills. They should receive some bonus or reward if they can attract more than 10 or so other colleagues. This approach – which encourages employees to interact with colleagues in other departments along with fostering the development of diverse skills – will tend to alleviate burnout.

## **RESEARCH FINDING - OPTIMISM**

### **Facts**

Employees tend to overestimate the extent to which they will feel upset after a disturbing event as well as overestimate the extent to which they will feel pleased after a favourable event – except in particular circumstances. When individuals predict their feelings in the future, they tend to neglect the significance of other factors that could influence their emotions. To illustrate, when they predict how they might feel after their request for a pay rise is rejected, they tend to disregard other factors that could boost their emotions, such as the support of friends. They will, therefore, usually feel less upset than perhaps they anticipated. This bias, however, is less pronounced in individuals from Asian nations who are more likely to consider other factors when they predict the future. In addition, this bias dissipates if individuals are first asked to specify the activities they are most likely to undertake over the next two weeks. That is, this activity minimises the tendency to neglect factors that could influence their emotions in the future.

### **Recommendations for Leaders**

Employees may sometimes feel upset because they are apprehensive about a future event. To illustrate, they might have recently divorced from their spouse and thus feel concerned that they may feel lonely in the future. These employees should first be informed that most individuals tend to overestimate the distress they will experience in the future. Second, these individuals should be asked to specify other activities they are likely to undertake during the next two weeks, such as visit friends. Third, they should predict whether they feel these events are likely to enhance or impair their mood. They should be informed this procedure tends to offset the

tendency to overestimate the distress they will experience in the future and can thus boost their confidence and mood.

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Christopher will be speaking at the Australian Institute of Management's Business Essential Forum on Wednesday 21<sup>st</sup> March, where he will look further at staff motivation in a period of rapid growth and change. To book visit [www.aimvic.com.au](http://www.aimvic.com.au)