

# Behaviour: the blueprint for change

*When organisations introduce new systems and processes, they assume their staff will apply them. Not so, says Dr Leandro Herrero. The only real change management is behavioural, and procedures need to be reinforced with rewards*

**M**anaging change. A business catchphrase, part of the consulting lexicon. A sub-industry on its own. Myriad books. Myriad misunderstandings. Here is one: people are resistant to change. This statement declares that you and I – who have moved jobs a few times, married, raised teenagers, dealt with a thousand life events, been a political activist or a local church helper – don't know about change and adapting to it. The statement needs qualification, and this is the best I can offer: people are resistant to change when they lose, or feel they lose, control. In other words, the problem is imposed change, particularly in the workplace, when you haven't been part of the process or don't feel like the owner of that change.

A second issue lies within the terms 'change' or 'managing change', which appear in organisations in so many ways they have become a commodity in management and leadership jargon. They are used in mergers and acquisitions to describe the process of integration, the implementation of a new initiative, such as customer relationship management (CRM) or enterprise resource planning (ERP), in organisational redesign programmes – of R&D, for example – and in creating new structures or teams. Even communication plans are sometimes called change management programmes. Stretched to the limit, managing change means management.

A change management programme creates or transforms processes and systems that take an organisation from A to B. The experts, internal or external consultants, will help define the objectives of the change and the requirements for it. They will map the journey from A to B. There will be mile-

stones and checkpoints, review processes and gates, success factors and budgets, motivational and information meetings.

Change management programmes are like cooking. You can have sophisticated or mundane ingredients, shop at the local grocer's or the delicatessen, eat lots of courses or a quick sandwich. You may be (or may have paid for) an inexperienced cook, a microwave manager or have a Michelin star. Change management consulting is the same. In this area, as in any other, budget holders should heed the old saying, 'you pay peanuts, you get monkeys'.

## Managing methods

The average change management programme is plain vanilla. Academics and the consulting industry have produced a wealth of methodologies and a plethora of do's and don'ts. If the adage 'a method is a trick that has been used twice' is true, there are many methods around. Most of them are indistinguishable. Provided your consulting partners know their job, are professionals and use the change management cookbook, it's difficult to get the plain vanilla variety wrong. But you may have forgotten an important ingredient.

So you have the plans in place, the maps, the communication tools and the meeting room in the country house hotel where you gather the troops to convince them change is good. You know how to get from A to B and you know who is going to be on the journey. And on this kind of journey, there will be successes and failures. Failure in this case should not just be defined by objectives not having been met – in many instances it is partial adoption or poor usage of new processes and systems that is at fault.



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**You can't manage change effectively unless you have all the right ingredients.**

Take CRM. Companies spend significant amounts of money installing IT systems that are supposed to link all aspects of a customer's profile, what is often called a 360-degree view of the client. For instance, when a medical sales rep calls on a hospital specialist he should have at his disposal all the historical and strategic information about the physician, including his preferences, opinions and whether he has been seen by other company reps in another capacity – for example, if he is part of a clinical trial led by the R&D division. He is supposed to feed the outcome of the visit back into the system, log any interest in products he does not handle, ensuring the right rep gets in touch, and perhaps log any side-effects the physician has reported. If you multiply this effort by all sales and back office people, the result is a formidable database that is invaluable to the company.

This is a wonderful theory. So why has CRM consistently failed to meet expectations? Usage by sales forces may be low, many reps hate it and corporate office can't understand why. The reps blame the technology for not delivering, the IT departments blame the reps for not using it properly, management asks serious questions

about undelivered ROI, part of the sales force uses old systems in parallel, the IT vendors are frustrated and, overall, many people are unhappy, including the CEO who a few months earlier had announced significant efficiencies following the adoption of the latest system for sales force automation and total customer care.

In nine out of ten cases, the reason for this situation has nothing to do with the sexy IT or even process implementation – it's behaviour, stupid. And here is the missing ingredient. In most cases there is an unspoken assumption that once the new system and processes are in place, people will adapt to them. It's an assumption as fair and rational as it is wrong.

### Contradictory claims

It is presumed that if one accepts system Y is better than system X, people will use Y and behave consistently with how it works. But the reality is that many people continue to behave in the old way. Explanations will be given for this, most of them

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post hoc rationalisations of the ensuing fiasco. One example is: "people are not motivated enough". But three months ago you gathered your sales force for a motivational weekend where motivational speakers and your COO infused the troops with excitement for the multi-million-pound investment. Another example: "people don't see the value of it and don't use it much". But you installed the processes and the IT system via several project teams that included representatives of the now-disillusioned troops. It was they who constructed the requirements for the new system. You also hear that the technology is too complex, or that it doesn't deliver what it promised. But, again, lots of people were involved in its development.

You will hear many other explanations too, but once you scratch the surface, a common factor appears: old behaviours are still reinforced and have not been substituted by new ones. A fundamental law of psychology states that behaviour is sustained or repeated if it's reinforced or rewarded, regardless of the reason for its existence. Reinforcements come in all shapes: money, bonus targets, power gained, a pat on the back, promotion,

pleasing the boss and so on. Change management programmes tend to forget that for the new system to be used, new behaviours need to be instilled and reinforced because new systems and processes, whether IT-induced or not, do not necessarily generate new behaviour. On the contrary, new behaviour needs to be instilled to support the new processes and systems. By behaviours we mean both management behaviour – like the culture that defines how things are accepted or discouraged – and end-users' behaviour.

Another fundamental cause of failures, particularly in implementing CRM in hi-tech companies, is the potential coexistence of contradictory aims: the customer-centric goal of a CRM and the very common product-centric machinery of the company. R&D-led companies speak a product portfolio language – pipeline richness or gaps, breakthrough innovations, blockbusters – and create machinery for marketing, sales and training consistent with that. Nothing wrong there. But true customer-centric approaches focus on solving customer problems and speak a customer language. You can't have exclusively a product approach and sell via a customer solution. There are choices to be made, and on many occasions management either does not see them or doesn't want to make them.

Reinforcements are applied in the wrong place. If the desired behaviour for the reps is diligent use of the CRM system – feeding it by filling in boxes on the computer – but they continue to be rewarded for the number of calls they make or the sales figures, their inclination to feed the system will fade progressively. And if the same management that brought in the CRM system continues to ask only for call figures and market share, without declaring much interest in customer data, don't be surprised if the CRM system is used at 25% capacity and hated by everybody. The reps could have continued to provide those data under the old territory management system which, incidentally, took a fraction of the time to use. The sales force has effectively been given a Rolls Royce to work with, but they are rewarded according to the number of grocery bags they carry in the boot. No wonder shopping has become so expensive.

Rewarded or reinforced behaviours repeat themselves and become the norm, no matter how much the strategic aims and statements contradict them. A good change management programme must explore which behavioural

components should be reinforced, and which shouldn't (a layman would be forgiven for calling it 'punished', but this is very different and far less effective than a lack of reinforcement). It's all well beyond process, systems or IT architectures.

The lack of psychological technology applied to new systems' implementation is extraordinary. One pharmaceutical client using our behavioural change management (BCM) programme told me recently: "We got it all wrong with our CRM". She was too hard on herself, because most of what they were doing was right. They just forgot about behaviour. Any behavioural programme that deals with implementing a new process must follow psychological laws. Motivational exercises can be used to engage the sales force or user group – appealing to their loyalty, commitment and perhaps the buzz they get from success. In general, these motivational exercises (or 'behavioural triggers') are good for launching initiatives and supporting the early stages of adoption, but they are not good as sustained reinforcement. Even if new positive behaviours are adopted, they will fade if they are not reinforced.

### Reinforcing the message

Managing change makes for exciting cooking, but needs all the ingredients. The only true change management is behavioural change management, and behavioural change needs exquisite balance between behaviour and reinforcement. We have identified about 40 behavioural patterns that are present in any medium or large scale implementation of a process or way of working, such as a new knowledge management programme or CRM. Uncovering the behaviour behind your processes is vital to understanding what should or should not be reinforced. Only what is reinforced is sustained. If something is sustained it has been reinforced, whether the reinforcement is obvious to you or not.

CRM will be far cheaper and less painful if companies create a powerful combination of both a true CRM (ie, real customer focus, instead of product selling) and behavioural focus to support new processes and systems, instead of hoping that the new, expensive IT will create sustainable behaviour by itself. SM

**•Dr Leandro Herrero writes on a management topic each month in Scrip Magazine. He is the CEO and founder of The Chalfont Project, an international consulting firm focusing on organisational innovation and behavioural change management.**