

**Ch.....Ch.....Ch.....Changes. How can facility managers  
move people across the inevitable hurdles?**

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**resource.**



## **Prelude**

In the year 2000, Resource Architecture was commissioned by TXU Australia to manage workspace planning and design of 6000 m<sup>2</sup> of office space and relocation of 480 people. This involved moving people from 4 different locations to one. Each location had its own corporate culture, its own set of expectations and its own set of workspace requirements inherited from previous mergers and acquisitions. In addition, each location had inherited a variety of records management systems which needed to be consolidated.

From the outset of the project change management was identified as a Critical Success Factor, particularly as the new workspace was to reflect the future workplace culture and break away from the various cultures inherited from the past.

The change management process included, workshops to establish a workspace vision, user group involvement in decision making, an intranet web-site, site tours and a prototype workspace. TXU also seconded a member of the Resource Architecture team as a 'user advocate' for the duration of the project who communicated the vision to users and provided user feedback to the project team.

Karen Lowe, Director of Human resources at TXU explains:

“There were logistical issues, because we had to change our filing systems to suit the new storage being installed in the new space. We also organized functions so people could say goodbye to their old workplace and celebrate the new one. Before we moved in, we set up a mockup to give people a preview of their new environment.”

It was not until an unexpected change took place near the end of the project that it became apparent that further work was required. Whilst people had been consulted on a number of levels what had not been addressed was their sense of loss of how they work as people as teams and as communities. The change management process so far had not dealt with was the emotional and psychological resistance of people. A void existed, people needed to get over this divide positively, to be taken on a journey.

TXU engaged the services of About People, a management consultancy specializing in workplace transitions. About People implemented an additional innovative transition management initiative.

“One of the most interesting aspects was how we handled the transition to the new workspace ....When we arrived, a facilitator called Mrs. J – the outsourced tea lady came in to bake scones and wander around chatting to people about how they were settling in. She gave us great feedback on particular problem areas. Everyone attended 'transition theatre' sessions where actors played out potential issues in the workplace so our employees could explore how to behave in a more open environment.” Karen explains

The Transition Theatre™ process won the hearts and minds of the people of TXU. It is this final transition process that bridged the emotional and psychological divide which made this project particularly unique and successful.

“There were initial concerns about space, but those disappeared once everyone got here. So far, it’s been a big success.

This paper outlines some of the reasoning behind Transition management and provides some useful examples of the process.

## **The Transition Process**

What happens when change is imposed on employees? How do they typically respond? What if the response is resistive? How can you overcome this and create a positive acceptance, even create champions of the change? And do you really need to even bother? Isn’t it true that generally people do ‘get over it’ in time?

That’s generally true for a large proportion of people. However many will feel used, cynical, uncommitted to moving forward. Others of course won’t have a problem at all.

### ***Are there times when it’s not necessary to manage the emotional impact?***

Absolutely. If you’re moving the same group of people from a dungeon to a palace, chances are there will be no problem at all with the move. An occasional sentimental person but he or she will get over it and be lured by the new premises.

### ***What about leveraging off the move?***

That’s another matter altogether. All organisations today are looking for ways to improve productivity, increase innovation and profit. People’s productivity and creativity are two keys to increasing output. If your executive are happy with the way things are currently, and are not interested in cranking up profit, then leave well enough alone.

If on the other hand, there is room to deliver improved results, then a physical move is a perfect leverage for a move upwards in output.

As a Facility Manager, managing the emotional impact of the physical change or thinking about increased profits as a by-product of a move, is likely to be more that you bargained for. In fact, if you were to revisit your position description, it would be rare to find any mention of change management or human transition management. So what’s the case for someone who already has a significant workload to put their hand up to champion for something that

1. isn’t in their job role?
2. they probably haven’t really recognised as important?
3. requires additional budget?
4. needs to be justified to senior management?
5. is slippery stuff to manage at the best of times?

Why would you bother?

***Because every manager today, must be a manager of people, a leader of change. Management is about human beings. Its task is to make people capable of joint performance, to make their strengths effective and their weaknesses irrelevant. This is what organization is all about, and it is the reason that management is the ... determining factor.*** (Peter Drucker, The New Realities)

Frontline competencies clearly articulate that change management is part of the role of manager. We all know that it's relatively easy to change systems, buildings, suppliers, procedures. The hard thing to change is people and their adoption of and adaptation to the 'new'.

An added bonus is that any employee who understands that we're in a time of constant change and who lifts the motivation of staff to achieve a more fulfilling, productive and profitable way of working, is an employee who is creating a much greater level of security for themselves in the marketplace.

### ***Why is change challenging for people?***

Contemporary thinking equates people's reactions to imposed change - such as a new workspace - with the grieving response to the death of a relative! Perhaps because in any change people are "losing" something - which may be tangible, such as their physical environment, or the intangibles of the security or atmosphere they like in their current office space. It's amazing how attached people become to their corner of the world! Even if the change is not an issue for the key client - perhaps because they're part of designing it - it may have a far more significant and unexpected impact on the employees who then actually have to move. In turn, this can then reduce the productivity, morale and general working effectiveness of these staff - which can be an immediate problem for the Facilities Manager, as well as for the key client on a long term basis.

### ***The Change Cycle***

The works of Kubler-Ross and Bridges, in studying people going through grieving and transitions, indicate that in most change situations, people typically go through a phased reaction -

Firstly, ***Denial*** - "this doesn't affect me". People may just continue work as normal, but there may be an underlying apathy or numbness.

Secondly, ***Resistance*** - People begin to feel the change personally, and realise what it might mean for them. Anger, low morale and negative comments start to surface.

Thirdly, ***Exploration*** - In the midst of the uncertainty and chaos, people start to work out the future, and can get quite energised in doing so.

Lastly, ***Commitment*** - People can see the future, and are willing to learn new ways of working and adopt to and maximise the benefits of the change.

Now some people move through these phases very quickly, but many take quite some time before actually being able to let go of the past, and become committed to the future; and others get stuck along the way. When they get stuck they are usually unaware that they are, blaming management for causing problems and making things worse. They 'feel' out of control but don't know why or what they can do.

And perhaps worst of all, emotional instability is not readily or openly addressed in modern corporations. This makes people feel even more incompetent, which makes them behave protectively, defensively and destructively.

### ***Emotional Intelligence***

Any organisation wishing to change the way it does business, such as the way they use resources, needs the full support of staff and management. Ignoring the emotional reactions that people have to change, can foil the best laid plans. We humans are great at covert sabotage. If you don't engage us, don't understand we are important in the equation, well we just won't play your game. We might nod our heads, we might even take the forms we have to fill in, but don't think that we're really going to comply.

Most businesses these days are trying to move *fast* – to get ahead of the competition, to keep up with new trends. Making the decision to organise the workplace differently or adopt another new strategy is the easy part. But quickly achieving the benefits from the change can be a lot more difficult! So the sooner you can get people moving through the phases of change to become committed to the future, the quicker you'll realise the full benefits you've planned.

### ***So how do you help people become positive and committed?***

*Few individuals need as much as they think they do, or as much security as they hanker after. Organizations build bigger cores than they need ... If we do not allow people space, we cannot expect responsible behaviour.* (Charles Handy)

Holding onto the security of the past is certainly normal behaviour, but it's not at all natural. People naturally change, it is our nature to change. Mostly people don't resist change per se, rather they resist being controlled, or having things "done to them".

Creating environments where people can use their strengths and capabilities to support the success of a project or enterprise is essential today. Staged interventions may be necessary to firstly involve people in planning the change (so its not being "done to them"), and secondly to help them explore any resistance they personally have or barriers in the organisation they see which will reduce the benefits of the change.

Thirdly, in managing the resistance to change, there is always the opportunity for involving people in the creation of the next phase. Often out of this, new innovations emerge and a positive energy is injected into the workplace.

### ***Even entrepreneurs can get it wrong ...but learn how to do it right***

*"There exists a lack of faith in management and lack of feeling of personal empowerment. The staff does not know how much they can say, or to whom; this leads to lack of risk-taking and a reluctance to be accountable. Staff are unable to speak out because they are expected to 'be positive and toe the company line'".*

This was the feedback Anita Roddick and the Board of the Body Shop received from staff after they had spent 18 months trying to reinvent the business. The external consultant hired to drive the change did not appreciate the values inherent in the Body Shop, including the importance of employee self-esteem and involvement in the business. He used a more traditional top-down, negative approach. The result? They sacked the consultant and started from scratch, with employees around the world contributing to developing the corporate vision.

*“I learned that there is an enormous demand from employees for information, care-taking, compassion and dialogue which must be honoured...I felt it would have been more constructive to be positive, to invite the staff to identify what made the company special, what was worth saving and what was worth striving for.” (Anita Roddick, 2000)*

***And how does acknowledging emotions and involving people add value to the bottom line?***

The AmEx Emotional Insurance Policy: American Express, the financial services icon, seems an unlikely place to find a training program on “emotional competence”. Yet this evolved in 1991 to address flagging sales and revenue in life insurance. The majority of Amex clients were declining to buy life insurance, even though their profiles suggested that it would benefit them. A research team was set the task of analysing the problem, which they found not to be the product, or its cost, but *emotions*. Clients reported feelings of fear, suspicion, and powerlessness; not only that, but staff also had feelings of incompetence, dread, untruthfulness and even humiliation. So the vicious cycle emerged where clients responded negatively, the advisors tried harder to sell their product, increasing the clients’ mistrust.

The most successful advisors, however, took a different approach, taking the client’s perspective which enabled them to develop relationships with clients. They also were more in touch with their own core values and motivation for being in their line of work. Based on these experiences, Amex developed an “emotional competence” training program called Focus on Coping Under Stress. Advisors trained in the program went on to improve the sales by 18.1% - adding tens of millions of dollars in revenue. These results suggest that while money can be saved by focusing on cost savings, a company’s ability to grow and increase profit comes from managing the human motivational/emotional side of the equation and linking it to results.

In this case it was obvious that even a short term program focussed on “soft skills” can have a significant impact on the bottom line.

***So who is leading the way in managing change humanely and successfully?***

Closer to home, we see the example of Bank of Melbourne. Studies show that up to 81% of mergers worldwide fail to achieve their outcomes. Again and again, there has been evidence to suggest that the people issues – culture, sense of community, us and them, shared vision, purpose, values – hasn’t been effectively managed.

### *Bank of Melbourne/Westpac Merger*

However in 1998, when Westpac and the Bank of Melbourne merged, the underlying drivers by the then CEO Matthew Slater, were *respect for the individual* and *customer retention*. This agenda then shaped the 12 month integration process.

This merger was considered by the business community, in particular the finance sector, to be the most successful merger of *two extremely diverse cultures*, that had taken place in Australia.

### *Co-Locations*

There were a number of programs, systems and support mechanisms that were designed to guide their people through the change process including very specific workshops for co-located branches. The importance of helping people redefine who they were as individuals, teams and corporations was essential to managing the branch efficacy, brand superiority (Bank of Melbourne) and most importantly, customer retention.

The investment by the senior team at the bank was vindicated. The outcome was to maintain 95% customer retention by the end of the first 100 days of the merger, in a climate of 'big bank bashing' where the culture and client base of Bank of Melbourne was boutique and personal and a little parochial. The measure of 95% was achieved and even though there was some reduction in an amalgamated staff, only one of 320 managers left the business before final handover. These managers had known for six months that 100 of them would lose their roles with little hope for significant redeployment. Yet the support program that the bank engaged, including an integrated suite of activities designed by About People, meant that all but one committed to helping their teams and their clients over the hurdle.

### ***TXU Australia – Relocation/Co-location***

TXU Australia is an amalgamation of five businesses in the energy sector. Texas Utilities (USA) bought these business over two years ago and proceeded to restructure, divesting themselves of parts of the business.

In April through to July of 2001, they moved 480 people from four sites to one centralised, open plan, location. The logistics were handled meticulously, the consultation process was underway by the Shared Services people together with Resource Architecture, the architects and designers.

It became apparent that there was 'emotional baggage' that people were carrying about the move and about a range of historical changes and events. The physical move became the opportunity to manage a 'psychological and emotional move' to benefit the future of both the company and the working lives of its people.

About People were contracted to design a transition program which included a series of creative theatre workshops together with the roaming support of 'Mrs J' the wise old tea lady.

As soon as departments arrived into the building they were met by Mrs J with a 'welcome to your new home' fortune cookie. Mrs J then spent the next couple of days

serving tea, baking scones, counselling, hearing complaints, helping solve problems – in general, moving people on.

Then a couple of days later, there were workshops for all in the department which employed the talents of professional actors playing out a range of scenarios that participants identified as being detrimental to an immediate positive and productive working environment. These scenarios were solved by the participants who then went on to make some agreements about future behaviours and ways of working together.

The outcome of the intervention by About People was that there were only two written complaints as a result of the move. One was about a stolen coffee mug, the other about a desire to bring an old file to the new building. Both were managed easily.

The result?

At TXU people were at full productivity from day one in the new space.

#### *Getting it all out in a Positive Way*

Wherever there's change enforced people will moan. That's just life. When managers create positive, solution focused and enjoyable forums for this to happen, the negativity simply disappears and people get on with work in a positive way – usually with some tools to help them manage their emotions the next time something happens that they don't feel so good about.



**Transition  
Management  
Specialists**

### FACILITY MANAGER'S CHANGE CHECKLIST

- Is there any chance anyone will feel they have lost out in the move?
- Are you moving to open plan office?
- Is there room to improve morale/productivity/profit?
- Is there a co-location involved?
- Is the physical change part of an overall organisational restructure?
- Does your company have articulated corporate values like respect, innovation, integrity, teamwork, performance, transparency?
- Would it be helpful from your point of view if people were positive about the move?
- Is it useful or important that the move to be successful for your career?
- Are you conversant with the psychological and emotional impact of change?
- If nothing is done to address people issues, do you think there will be resistance, downtime, increased negativity?

If you ticked more than three (3) of the above, chances are you will face some challenges and you, your colleagues and organisation would benefit from a transition management program.

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...we think about people**