7 RULES

FOR POSITIVE, PRODUCTIVE CHANGE

ESTHER DERBY

Coauthor of *Agile Retrospectives*

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FOR POSITIVE, PRODUCTIVE CHANGE

Micro Shifts, Macro Results

Esther Derby

For Jerry, whose memory is a blessing

Praise for *7 Rules for Positive, Productive Change*

"Esther Derby has written a must-read guide for anyone whose organization is experiencing a complex shift. . . . Read this book—and learn from one of the best."
  —**Howard Sublett, Chief Product Owner, Scrum Alliance**

"This book is a product of Esther's hard-won insights and her ability to explain them in simple, memorable ways. It is an invaluable resource to all those in the field of knowledge work who want to understand what is going on at a deeper level and how to create effective change around them. It's an opportunity to stand on her shoulders."
  —**Kevin Trethewey, Director of Engineering, Jemstep by Invesco**

"This book is a blueprint for both novices and experienced change professionals to enhance their approach to complex change. The blend of both examples and detailed material helped me see where I need to polish my approach and where I need to improve my empathy. Selfishly, I plan to share *7 Rules* with my team and leaders so they can gain a better perspective on complex change management."
  —**Ben van Glabbeek, Vice President, Agile Transformation, Fiserv**

"Wow. If you want to help people, and the organizations they're in, improve, these are indeed seven rules you need to know and will want to follow. It's dangerous to go it alone. Take this book with you!"
  —**Ron Jeffries, author of *The Nature of Software Development***

"Esther brings her vast experience of closely studying organizational change to show how embracing the human side of organizations means accepting them as the organic 'forests' they are, rather than mechanistic 'machines.' Her unique style of engaging storytelling and ability to carve out deep insights from everyday incidents revolving around change make this book a must-have guide of our times."
  —**Rashina Hoda, Senior Lecturer, Department of Electrical, Computer, and Software Engineering, The University of Auckland**

"An accessible yet challenging addition to the growing literature on change. I'm especially touched by the deep humanness of the approach, including the repeated reframing of situations often framed as 'obstacles to change' as valuable resources and opportunities to learn. Instead of merely giving lip service to complexity, Derby's *7 Rules* embraces it."
  —**Simon Bennett, Managing Principal, LASTing Benefits (UK and Australia)**

CHAPTER 1

Change by Attraction

People don't resist change.

They resist being changed.

—Peter Senge

WHEN I WORK WITH GROUPS, I SOMETIMES ASK THEM TO draw a time line depicting their experiences with change in organizations they've worked for, showing the high points above a middle line and the low points below. People draw jagged lines, with dramatic ups and downs. **SEE 1.1** Then I ask them to write a word or phrase that describes what was present for the highs and lows. I've led this exercise dozens of times. Consistent themes emerge on both sides of the line.

Above the line, people describe the changes they experienced in this way:

- ■ "My opinion mattered."

- ■ "I had some control."

- ■ "I felt balanced."

- ■ "I had a choice."

- ■ "I had an opportunity for learning and growth."

- ■ "The change proved out."

- ■ "I felt personal agency."

Below the line, some of responses are exact opposites, for example, "no control" and "no choice." Other descriptors reveal more about their experiences:

- ■ "I was blamed."

- ■ "There was unhealthy conflict."

- ■ "There was no support system."

- ■ "There were no transforming ideas."
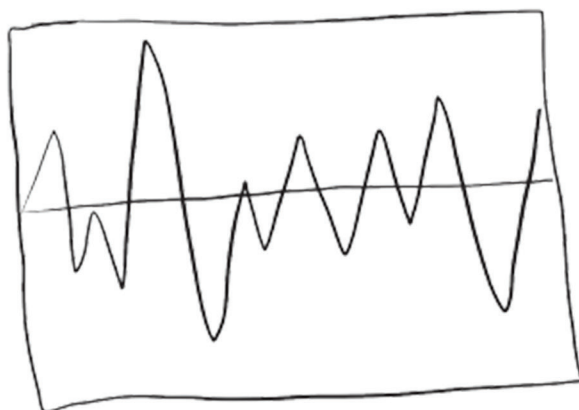
1.1 A change experience time line shows positive and negative experiences of organizational change.

- ■ "There was no time to integrate new ideas."

- ■ "I was overloaded."

- ■ "The change didn't fit the context."

- ■ "I had no voice."

I have probed these responses to understand what was behind the experiences and to get a glimpse of the theory of change at work. Distinctly different approaches to change surfaced.

Above the line, people felt empowered to achieve outcomes within explicit constraints. They knew enough about the requested change and the context to make good decisions. They were guided by people who understood the larger context. They were engaged and creative.

Below the line, responses are associated with highly directive changes, where people were told what do and how to do it. They may or may not have known the reasons and the thinking

behind the change, but they had little latitude with implementation at the local level.

From the CEO to a frontline new hire, no one is immune to change. Most people, whatever their position in the organization, would prefer that their experience of change be "above the line," where they have a choice, they learn and grow, and they have a sense of control and of personal agency. It is also true that people don't always have complete choice in matters of change. Financial and market performance, customer feedback, and competitor moves—all demand a response. Within those givens are a host of approaches for responding to events and making changes within an organization. Even if there is no choice *but* to change, there is almost always room for people to participate, shape, and influence what happens within their sphere.

I work on changing change so that the experience stays above the line, both when people choose change at work and when circumstances and decisions beyond their control prompt an organizational shift.

A willingness to let people get their fingerprints on a change orients an organization toward not so much the specific change but rather a comfort with uncertainty and complexity. Obviously, individuals within an organization may be perfectly comfortable with both; but policies, systems, and procedures shape individual behavior and determine which direction a given organization tilts.

Complex Change

Let me give you an example of change that does *not* fit my definition of complex. In this example the change involved decisions made by top leaders and was presented to the organization as a

directive. This example was discussed as a case study in change management at an event for women in leadership.

In an oak-paneled dining room, 12 women sat around the table as Ann, the administrator of a big hospital, presented a case study involving a mandatory flu shot program in her organization.

"We worked our change management process by the book," Ann declared. "We tied it to our mission—*Serving our patients is our highest priority*—and we did a big awareness campaign on the risks of flu exposure in hospital settings. Then we held vaccination clinics for our employees during work hours. There were a few holdouts, of course, and we put them on administrative leave and docked them three days' pay. If they didn't vaccinate after that, they were out of a job.

"This," she concluded, "is the key to successful change: relentless execution of a rigorous change methodology."

By my definition, persuading hospital workers to get flu shots is not a complex change. It was a matter of persuasion and removing barriers, making it easy for people to get a flu shot. There were many moving parts in this program, which required expertise and coordination; however, immunization is an obvious best practice in a hospital setting, and there are many examples of persuasion programs of this type. The program did not change structures, processes, or practices or how people approached their jobs within the hospital. (Note that they relied primarily on positional power; the sanction, involving suspension and loss of pay, is coercive power.) Unfortunately, the processes that support this sort of change often aren't helpful in complex change and may make it much harder.

By *complex change*, I mean situations in which there is no indisputable right answer and where causation is seldom a single

line or a straight one. Linear cause and effect may exist, but it isn't the major paradigm. Any given factor may be both cause and effect. Circular causation creates virtuous and vicious cycles. It is the difference between "a Ferrari and the Brazilian rainforest" (as explained in the introduction). It is common for people to talk about organizations as if they were machines, but really they are much more like forests: more than the sum of their parts, only partially knowable, and grown, not manufactured.

The irony is, people live in complexity and engage in complex changes all the time. They learn things, consciously and unconsciously, that change the way they do their jobs, interact with family and coworkers, and think about the world. Planning a family outing is a complex endeavor with the potential for randomness, no matter how much one might want to control it. People marry, have kids, and move across town or across oceans. They change jobs, make new friends, and take up new hobbies. All of these life changes are to a greater or lesser extent a leap into the unknown.

No matter how much you prepare, how many people you talk to, and how many books you read, there is stuff you cannot anticipate or understand at the start. People know that it is impossible to anticipate every variation, every twist and turn. They know there will be both delightful and devastating surprises, problems to solve, and wonders that they could not have imagined. We are all experienced at living with uncertainty and managing complexity.

Until we go to work.

A Legacy of Mechanistic Thinking

At work people have a big old hangover of mechanistic thinking, compounded by the deeply ingrained desire for certainty

and predictability that still lives in many organizations. Desiring certainty in change leads to overplanning, undervaluing learning (and unlearning), and overspecifying. Most of the change I'm involved with requires planning, yet it cannot be completely planned. Individuals know that their organization is not a machine, but the principles and thinking behind traditional organizational design—of how jobs and work are thought about—often have manufacturing in their family tree.

Metaphors for Change

Metaphors underlie human cognition (Lakoff and Johnsen 1980, 2003) and influence our thought processes. Within a metaphor certain actions and outcomes are possible and others are inconceivable. To use a very common example, when people use war metaphors to describe business activities—"destroying the competition," "demolishing an argument," "sending a shot across the bow"—collaboration is less likely. Winning, which assumes having an opponent and beating them, is the goal.

The way people and popular literature talk about change reinforces the desire for certainty and mechanistic thinking and masks complexity. I hear three common terms:

- *driving change*

- *installing* _____

- *evangelizing* _____

Each of these is worth examining as a metaphor.

When I ask people what image comes to mind when they hear the term "driving change," I often hear the same two responses: a picture of a cowboy on a horse, driving a herd of cattle, or a car driving down a road. I have certainly been on the

receiving end of changes where I felt like I was moving ahead to avoid the whip. I've also seen change efforts that assume a smooth journey and end up hopelessly lost when an unforeseen road closure forces a detour.

Installing a change makes it sound easy (as simple as swapping out an old part and replacing it with a new one). This wording masks the mess and complexity of any substantial change. Installing as a metaphor is a logical extension of the business world's legacy of conceiving of organizations as vast machines—and it leads us to the same errors. It sets up people for overreaction when things don't go smoothly (and things never go smoothly *all* the time).

Evangelism is a religious term that has entered the business vernacular. Evangelists aim to convince others of one truth that supersedes all previous religious teachings. I make no comment on religious proselytization. As a matter of effective change, few people like to be told they've been living in darkness.

These metaphors don't help in complex change because they limit our thinking and they mask the work required to change systems.

The legacy of mechanistic thinking + a desire for certainty + metaphors that hide complexity add up and make it more difficult to accept and live with the mess involved with complex change. They also make it harder to see the opportunities inherent in systems.

Let's break down what is involved in any significant change:

- Learning

- Unlearning

- Discovering problems

- Understanding problems

- Examining assumptions

- Discovering potential solutions

- Devising potential solutions

- Reviewing structures and adding, removing, strengthening, and weakening them

- Reviewing policies and adding, adjusting, and retiring them

- Designing new guidelines

- Loosening and tightening constraints

- Updating world views

- Discovering better ways to work

- Collaborating

- Trying and failing

- And the unknown

Changing an organization is not like retooling a machine. It is not possible to imagine every variation at the start and predict the results precisely—nor is it possible to predict the wonderful potentialities from the here and now. What *is* possible is to explore context and different outcomes and set boundaries.

Power

The three factors discussed above (legacy of mechanistic thinking + a desire for certainty + metaphors that hide complexity) tilt

organizations toward below-the-line change. The ways in which people at all levels of an organization *use* power, however, is the biggest determiner of whether people experience change above the line or below it.

In their seminal 1959 paper, John French and Bertram Raven define power in terms of social influence—the ability of one person to influence the behavior, attitude, and beliefs of another. Based on their research, they identified fives bases of power and later added a sixth: *coercive power, reward power, legitimate or positional power, referent power, expert power,* and *informational power.*

Some forms of power are familiar and easy to recognize. Managers have legitimate authority granted by the organization to allocate budgets, dictate processes, delegate projects, and hire and fire staff. Managers also give and withhold rewards, like bonuses, promotions, plum assignments, and salary increases.

When positional power and reward power don't work, some people resort to coercive power. Coercion is clear in statements such as "I can make sure you never get a promotion in this company" and "If you don't do this, I'll find someone who will." Other times coercion is subtler: "Be a team player" and "Get on the bus." All imply personal consequences for those who don't go along.

These are the sources of power at play in a change effort. In top-down efforts, the process usually goes like this: Start with positional power, with some persuasion thrown in. Add rewards and a few sanctions. When those don't work, use coercion to achieve compliance.

Compliance is the key word here. (Remember the great compliance metrics achieved at Bradley's?) At best, coercion,

rewards, and positional authority result in compliance, not engagement, and certainly not in creativity. Relying on these sources of power can encourage the bare minimum of people going along to get along.

I don't believe that this is what most managers want. That is not to say there is *never* justification for positional power and sanctions. Other forms of power—referent, expert, and informational—are far more likely to foster proactive engagement and buy-in while avoiding the downside of positional, reward, and coercive power plays.

Change by Attraction

When I think about the responses to my exercises with change experience time lines, I'd characterize the approaches that people experience as below the line as "change by decree" and those that people experience as above the line as "change by attraction." Change by attraction is the opposite of "driving change." When you work by attraction, you can let go of pushing, persuading, cajoling, and sanctioning because it relies on referent, expert, and informational power. Change by attraction has the opposite effect: resistance fades because there is nothing to push back against; there is only something to move toward, by choice.

Instead of mandating blanket installations of new processes, find the people who see the need for change, want to try something new, and want to work with you to effect that change. People who see the possibilities are eager to work out the kinks, problem-solve, and experiment. That's a huge source of learning, and it establishes a laboratory to refine ideas, identify organizational impediments, experience side effects, and adapt accordingly. If people who want something to work can't seem

to make the change, you can be pretty sure that other people in the organization (those less disposed to jump on a new idea) won't be able to make it work, either. If the new way *does* work, the "It won't work here" argument is largely off the table.

The 7 Rules

The 7 Rules described in this book work together to effect change by attraction, increasing engagement, learning, and productive change. The 7 Rules assume the following:

- There isn't one right way.

- It is often beneficial for a group to arrive at their own solution.

- Experimentation and learning are likely to lead to engagement.

- New solutions often need to be discovered.

- Possibilities exist that are not foreseeable from the here and now.

The 7 Rules are not a stepwise process. Use the one that will help generate movement in the moment. You don't have to do them in order (although it is a good idea to start with Rule 1: *Strive for congruence*).

In some ways, they function less like rules than heuristics. *Rules* imply that something must always be done. *Heuristics,* however, act as aids for learning and problem-solving, especially when a bit of trial and error is involved. Heuristics help answer the question *What should I do next?* when there isn't an obvious path. The 7 Rules are almost always helpful in a complex change

effort, and they offer reminders to approach change as an exercise in attraction.

I describe each rule in more detail and offer tools and examples in subsequent chapters. Here's an overview of how the 7 Rules relate what I've learned about change and keeping the experience "above the line."

RULE 1
Strive for Congruence

Congruence is the foundation of integrity and open communication in times of change.

Congruence involves balancing the concerns of people initiating a change with those asked to change, as well as considering the context that requires the change. It is essential for understanding other people's context and concerns from an empathic point of view. When those factors are in (at least an approximate) balance, it is easier for people to discuss what is happening on both the inside and the outside. Congruence enables communication, problem-solving, and creativity. When people are operating in this balance, they can access their best thinking, problem-solving, and creativity.

Congruence is the foundation for change by attraction, and it contributes to referent power.

RULE 2
Honor the Past, Present, and People

Paradoxically, honoring the past helps people let go of it.

Organizational change assumes that what is being offered is better than what is—or at least is necessary to avert some undesirable

event. Sometimes people like what they have, and they don't see what's so great about the new thing. They may be skeptical, sometimes with good reason. Helping people see the *context* behind the change effort demonstrates basic respect for their adulthood and intelligence. Acknowledging what still works and is worth saving is as important as knowing what to change.

Honoring the past contributes to referent power by reinforcing respect.

RULE 3
Assess What Is

People think change starts with a vision,
but it really starts from where you are now.

Patterns—repeated results that persist over time and often across boundaries—are the result of what currently exists. As Paul Batalden, professor emeritus at the Dartmouth Geisel School of Medicine and Senior Fellow at the Institute for Healthcare Improvement, said, "Every system is perfectly designed to get the results it gets."[1] Complex systems may not be designed per se, but the gist of the statement holds. Understanding what contributes to current outcomes is the starting point for changing them.

Assessing what is increases the chance that an intervention will fit the context and will fix or at least improve the problem.

RULE 4
Attend to Networks

Work—and change—happens through webs of relationships.

Informal social networks within organizations are a highway for ideas and a source of influence. Networks not only shape notions

of acceptable and unacceptable behavior but they can determine which ideas are taken up and which are ignored. When you can enlist people who are trusted and respected, other people in their networks will be more open to a new idea or practice.

Pay attention to networks, which rely on referent power.

RULE 5
Experiment
Little changes limit disruption and allow people to learn.

Big changes are big bets and cause big disruption. Little changes, done as experiments, foster learning and allow people to put their own touches on a change. Little changes involve the people tasked with shaping and owning change. Experiments go beyond superficial behavioral change and engage people in deep learning.

Experiments enable people to use their own power to think and learn, and they make people agents of the change.

RULE 6
Guide, and Allow for Variation
Empower reasonable deviation and new possibilities.

Reducing variation is the goal when work is standard, but knowledge work and creative work of all kinds throw all sorts of problems at people. Products and projects bring unique challenges. One-size-fits-all stifles nuanced responses. The law of requisite variety states that to work successfully with systems, you must have responses that are sufficiently varied to pertain to the different problems you encounter. One size will *not* fit all. In knowledge and creative work, it is not possible to anticipate all the variations. A better strategy is to let local groups figure

out how best to respond in their situations. Grant freedom to evolve solutions, but also set boundaries for acceptable degrees of adjustment.

Encouraging people to think deeply about what variation (within boundaries) best fits their context increases not only the likelihood that a change will fit but also ownership of that change. It also allows for the possibility of creative new solutions, again tapping into people's own power.

RULE 7
Use Your Self

You are your most important tool for change.

Change is social and relationships matter. The ability to connect with others enables two-way information flow. Creativity, problem-solving, empathy, curiosity—all are both individual and social, and all are critical for solving the problems that inevitably emerge during a complex change.

Thoughtful use of self builds referent power.

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About the Author

Shelly Campbell Studios

Esther Derby draws on four decades of experience leading, observing, and living through organizational change. She started her career as a programmer and quickly realized that while her job description referred to computers, her real work involved changing the way people worked and supporting them though that process.

Esther founded her consulting firm, esther derby associates, inc., in 1997. She works with a broad array of clients, from start-ups to Fortune 500 companies. Her approach blends attention to humans with deep knowledge of complex adaptive systems. Esther's clients call her when they're not seeing the results they expect in their organizations, especially when it seems they have the people and skills to accomplish their goals.

In addition to consulting, Esther has an extensive background in designing and leading experiential learning. She teaches workshops around the world, both online and in person. Her workshops help leaders explore how they can adapt the environment to amplify empowerment, engage in joint problem-solving, and evolve their systems toward better results.

Esther is coauthor of *Behind Closed Doors: Secrets of Great Management* (2005), a guide for people as they make the transition from technical work to management work, and *Agile Retrospectives: Making Good Teams Great* (2006), a process for teams to inspect, adapt, and improve the way they work. She has also published hundreds of articles, many of which are available on her website, estherderby.com.

Esther lives in northern Minnesota near the shores of Lake Superior. She enjoys cooking from her northern garden, quilting, making garments with pockets, and giving Izzy the French bulldog the royal treatment she deserves.

Esther holds a bachelor of arts degree from the University of Minnesota and a master's degree in organizational leadership from the University of St. Catherine in St. Paul.

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