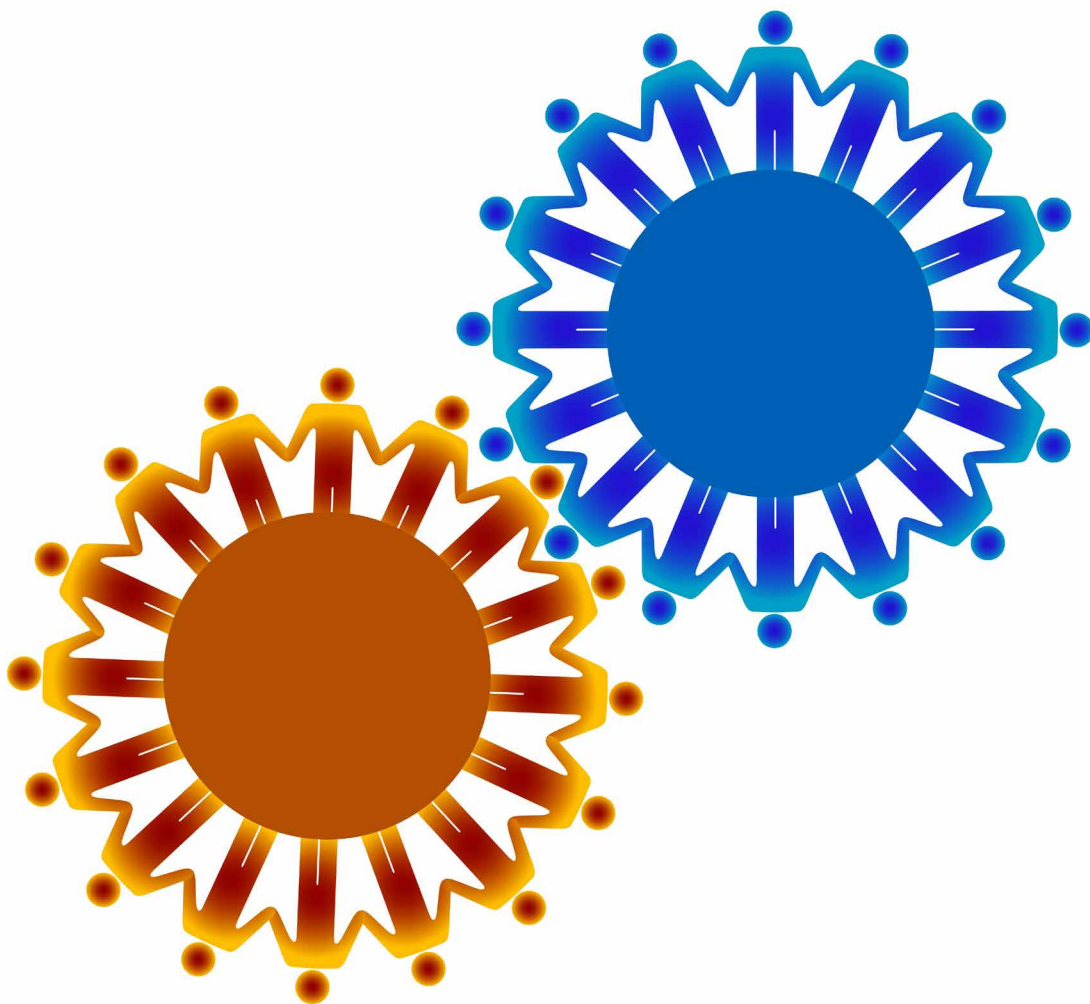




ADAPTIVE MINDSET™

Organizational Change and Resiliency

We've all seen it. An announcement is made that the company is undergoing change. It comes in many guises – strategic adjustment, resources reallocation, departmental reorganization. But we know it for what it is – disruption and stress. If you're a manager, you've been told ahead of time that it's coming. Not only do you have accountability for your piece of the change pie, but you have to face your team and let them know the new plan. And you're dreading it.



Change in the Workplace

In the modern workplace, to say that change is “normal” seems quaint. Companies are constantly undergoing change, often involving a fundamental realignment of strategy and direction. The half-life of most products and services is now so short that companies have no choice but to constantly anticipate the future and adjust to new demands. Unfortunately for many of these companies, massive change efforts are no guarantee of success. More than a few companies have fallen from profitable giants to struggling shadows of their former selves – firms such as Nokia and Blackberry are examples.

While these are recent illustrations, they are hardly alone. It's been widely estimated that at least 50% of organizational change initiatives are either over budget, over schedule, or they outright fail to meet their planned objectives.ⁱ Despite this grim statistic, change is pervasive within organizations, and the study of organizational change is a mainstay in academia and MBA programs. However, what is often overlooked in change initiatives, and one of the main reasons why they so often fail, is the people involved in the change, from top to bottom.

The Effect Change has on People

While change may be necessary it is also disruptive, and large-scale change efforts are often downright overwhelming to the employees who are tasked with implementing them. According to recent research, one-third of U.S. employees are chronically overworked,ⁱⁱ and of those employees who report they're overworked, 20% say they make a lot of mistakes at work whereas, of those employees who are not overworked, almost none reported making meaningful mistakes at work.ⁱⁱⁱ In addition, 69% of employees report that work is a significant source of stress and 41% say they typically feel tense or stressed out during the workday.^{iv} When people are experiencing this kind of chronic stress and disruption, and making mistakes along the way, it's no wonder that so many change initiatives go awry.

It's a given that the pace of change is not going to slow down. An effective way to help employees strengthen their response to stress, successfully manage change, and further organizational goals is by building their resiliency.



Personal and Organizational Resilience

While many people are adaptable to change and naturally recover from adversity, this is not enough. What is needed are people who have the ability to embrace change. Resilient people not only go with the flow, but they actively seek change and find opportunities within the adversities they face. As opposed to bouncing back from adversity, they bounce *forward* by growing from the experience. And resilient people pay dividends to the organizations they work for. This desire to work through change in a proactive manner results in exceptional performance. Research indicates that resilient employees are rated as significantly more effective in their jobs than their non-resilient counterparts and are more committed to their organizations.^v This is important because people who are committed to their companies stay with their companies, reducing turnover of the organization's most valued contributors and those who will help the change program succeed.

Resilience also has personal benefits for employees. Resilient people experience less stress and have better work-life integration.^{vi} They also report better physical health and psychological well-being, such as better overall mood and satisfaction.^{vii} This is particularly important since one study found that healthcare expenditures for employees with high levels of stress were 46% higher than those for employees who did not have high levels of stress.^{viii} While the benefits of resilience are extensive, perhaps what is most important is that people can rewire their brains to become more resilient. Any change initiative can benefit from helping employees understand not only the requirements of the change program, but from helping them gain the personal skills and psychological resources they need to effectively bring the program to fruition. Increasing employees' resilience will help the company succeed.



Building Resilience

TRACOM's model and program helps people understand and build their personal resilience. It specifically connects personal resilience to work performance and events such as organizational change. Our research has resulted in a model of workplace resilience that provides a road map for people to understand their reactions to stress and fortify themselves against daily stressors. The program helps people develop a productive mindset around change and reframe life's challenges as potential opportunities.

First, to understand what leads to resilience, participants learn about nine sources of resilience. Research from psychology and neuroscience has shown that cultivating these elements will lead to greater resilience. *(See the appendix for a description of each source of resilience).*

These nine elements can be categorized under a broader three-dimensional framework:

- 1) How you **filter** information;
- 2) How you **act** in response to challenges;
- 3) And how you **interact** with others.



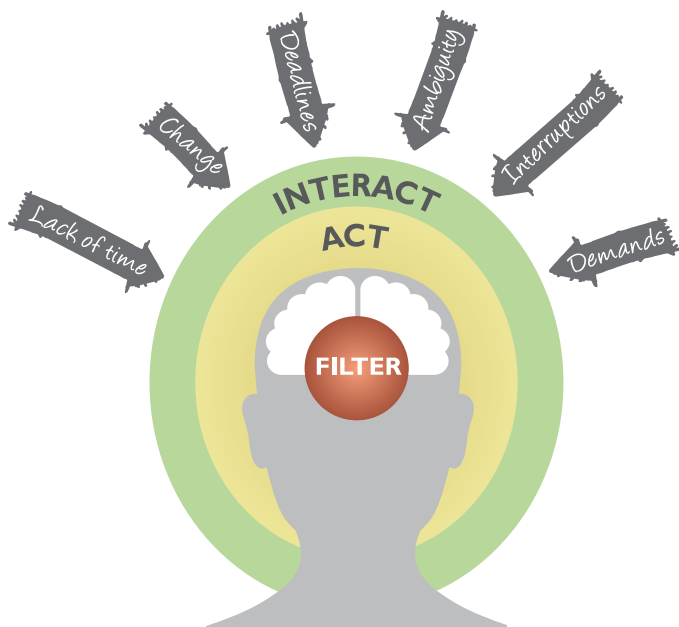
Filter — how you filter information and interpret the world.



Act — how you handle challenges



Interact — how you communicate and connect with others



Nine Sources of Resilience

- » **Personal Responsibility**
- » **Realistic Optimism**
- » **Personal Beliefs**
- » **Self-Assurance**
- » **Self-Composure**
- » **Problem-Solving**
- » **Goal Orientation**
- » **Courageous Communication**
- » **Social Support**



Building Resilience — continued

Participants of the Adaptive Mindset for Resiliency Assessment receive feedback on how they filter information and interpret the world around them. This is important because all humans are affected by something called the “negativity bias,” which affects how we interpret events. The negativity bias is well-researched and is a result of our evolution.^{ix} Our brains evolved much as an onion grows – from the inside out. Near the center and older section of the brain is a tiny structure called the amygdala that releases stress hormones when we are confronted with danger, such as being attacked by a wild animal. These hormones are helpful in life-threatening situations since they provide the adrenalin we need to escape the threat. This is commonly called the “fight or flight” response.

In the modern world, we are rarely threatened by animals. Unfortunately, our amygdalas are still very active and are triggered by common, every day “threats” such as feeling disrespected, unheard, or frustrated by things outside of our control, like organizational change. As a result of this, we are literally hard-wired to pay more



attention to negative events and perceived threats than we are to positive events and opportunities.^x This cognitive bias affects how we perceive and interpret virtually everything that happens to us. It is why road rage is so often discussed but nobody has ever heard of road kindness, even though it is more common. The effects of the negativity bias can be witnessed whenever large-scale change is announced. Responses range from people rolling their eyes in irritation to actively voicing their frustration and hostility. It is all too rare to find the person who remains grounded during such times and considers productive ways to manage the change. TRACOM’s program describes the underlying neuroscience that separates these two reactions, and how to alter one’s thinking to move from an emotional reaction to a more logical and productive response to change and other stressors.

After recognizing ways they filter information and the effects that the negativity bias has on them personally, participants learn the importance of specific behaviors at work that lead to resilience. This includes how they handle challenges (act) and how they communicate and connect with others (interact). These are observable behaviors that others can see. For example, Self-Composure is a mainstay of resilience and is something that can easily be recognized by others. People who remain calm during adversity tend to solve problems and manage change better than those who do not maintain self-composure. Participants then learn and practice strategies to enhance resilience at work. These strategies are evidence-based and known to work. By the end of the course, participants have developed their own written action plans for implementing resilience-building strategies at their workplaces.



How Resilience Supports Change Efforts

So, how does learning to be more resilient help with organizational change? One of the most well-known and utilized models of organizational change was created by Dr. John Kotter while he was at Harvard Business School.^{xi} Organizations worldwide have used this model to help with their change efforts, and it provides a useful framework for showing how resilience can help people throughout the phases of organizational change. Kotter's model encompasses three broad areas of change: Creating the right climate for change, engaging and enabling the organization, and implementing and sustaining change. At each stage, the skills learned through resiliency education can help organization members and leaders.



**The 8-Step Process for Leading Change – Dr. John Kotter*

Creating a Climate for Change

Let's start with creating a climate for change. While it can be argued that many elements of resiliency are important at this stage, we'll focus on two elements that are clearly relevant: Realistic Optimism and Personal Responsibility, which are both related to how people filter information and interpret the world. When change is first announced, people's negativity bias will be triggered. While some people will allow this reaction to cloud their perceptions and subsequent behavior in counterproductive ways, an optimistic person will look for the positives within the change, while also remaining aware of reality and possible pitfalls. Optimism is a critical starting point for resiliency. Research has shown that optimistic people are more open to new experiences, are more creative, and are more effective problem-solvers than people who lack a positive outlook.^{xii} In order to create a climate that will be open to change, especially as a leader, it is imperative to have a well-grounded and positive perspective. Coupled with this mindset is a belief in oneself to complete the work required for the change effort. People who take personal responsibility believe that they are in control of their own destinies, rather than random serendipity. When change is announced, these individuals look inward to their own resources to help themselves thrive, rather than relying on others or fate to determine what happens to them. For both leaders and employees, this belief system – an optimistic outlook and sense of personal responsibility – will set the stage for success right at the beginning of any change program. It will help leaders confront the large tasks at this stage of the process, namely creating a coalition of supporters and developing a strategy. It will help employees by providing them with the wherewithal to accept the change and quickly move toward making it a reality.



How Resilience Supports Change Efforts — continued

Engaging and Enabling the Whole Organization

The second phase of Kotter's model is engaging and enabling the organization. Much of this phase involves communicating and creating an environment where people can act autonomously, which leads to quick wins. Two elements of resiliency that are clearly important at this point are Courageous Communication and Problem Solving. When large-scale changes are being made, people need clear direction; they need to understand requirements and desired outcomes, their roles in the process, not to mention myriad details. It is imperative that leaders are candid and open, seek others' input, and confront issues head-on. Without frequent and forthright communication, any meaningful change program will stall. Any leader can improve their communication abilities during times of change. One of the goals of communicating is to influence and motivate others. An effective way to stimulate followers to action is to make the change an emotional undertaking. Professors Chip and Dan Heath, of Stanford University and Duke University, respectively, provide compelling examples of ways to do this, in particular by using visual images of the desired goals.^{xiii} What could you show or display to your people that would visualize what's possible? You might even create a "shrine" that exemplifies the direction you're moving in. With so much activity and so many decisions that need to be made, control cannot and should not rest in the hands of a few. Letting people be autonomous is one of the cornerstones for motivating and engaging employees.^{xiv} People with the ability to solve problems gather relevant information, plan their steps carefully, and find creative solutions to pressing issues. For leaders, stimulating employees to solve problems follows naturally on the heels of communicating the vision. Clear communication sets the stage for employees to generate unique ideas that lead to quick wins.



How Resilience Supports Change Efforts — continued

Implementing and Sustaining Change

The final phase of Kotter's change model involves implementing and sustaining change. For this final phase, we'll emphasize two other elements of resiliency: Goal Orientation and Self-Assurance. At this point, the change effort is stabilizing and the job of a leader is to learn from the growing pains, take advantage of the successes and make this the new status quo. To achieve any end, it's important to set goals. In fact, goal-setting is one of the most effective ways to achieve change objectives, and is a natural motivator, even for people who are not initially committed to the change. While many leaders think the point of setting goals is to hold people accountable, this is not the only purpose. Goals are motivational because they provide an emotional appeal for people at a neurological level.

Research shows that our brains can't distinguish between what we want and what we have; therefore, when we set a goal we feel as though we've already accomplished it.¹ If we don't meet the goal we feel almost as if we've lost a valued possession. This is why goals are such effective drivers of behavior. When goals have been largely achieved and the change is becoming stabilized, challenges will still occur. It's critical for leaders, in particular, to show that they can deal with these challenges with competence and poise. When shifts in demands happen, or unexpected setbacks occur, people with self-assurance maintain their enthusiasm and rely on their professional skills to see them through. This kind of role-modeling is very important; it helps employees to stay confident, focused and engaged during the critical final stages of the change program.

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While we chose to emphasize certain aspects of resiliency at each phase of the change model, most elements of resilience are clearly important throughout. For example, while we didn't mention Self-Composure, it can be argued that this is fundamentally important from beginning to end in any change effort, particularly for leaders. People with this ability deal with change and challenges rationally, without allowing their behavior and decisions to be overwhelmed by strong emotions. Likewise, Goal Orientation will be useful at all phases of a change program.



Summary

Change is stressful, and wide-scale organizational change is one of the most stressful events in people's lives. We can't prevent change from occurring, nor should we want to. What we can influence is people's mindset and behavior related to change. By doing this, the prospects for successful change can be dramatically increased. As people build resiliency, they experience fundamental changes in their attitudes and behaviors, which leads to greater openness and productivity in the face of change. The Developing Resilient Mindset™ course offered by TRACOM gives participants the tools to build and maintain a resilient mindset to achieve optimal success even in times of change.

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Appendix

ELEMENTS OF RESILIENCY — FILTER

How you filter information and interpret the world. This describes how you select information and integrate it into your mind and is comprised of personal responsibility, realistic optimism, and personal beliefs. Because this is happening in your mind, these elements of resiliency are not always observable to others, though others can often recognize your level of optimism.

» **Personal Responsibility** is the belief that successes or failures at work are determined by one's own talents and motivations as opposed to external forces such as luck or good timing.

Those who are high in personal responsibility believe they control their own destiny and attribute events to their own traits. Rather than relying on external factors such as luck to achieve objectives, they look inward to your own talents and motivations and exert control over situation.

Why does Personal Responsibility lead to resilience? Because they feel they control their own circumstances, those who are high in personal responsibility are more likely to engage in proactive behaviors and persist in the face of adversity. This strengthens their resiliency.

» **Realistic Optimism** — is the tendency to see the world in a positive way but remain grounded in reality.

Those who with realistic optimism expect the future to be good, but they remain aware that challenges may arise and things won't always go as expected. This kind of mild optimism is a crucial aspect of resiliency because it instills people with motivation while allowing them to anticipate and plan for challenges.

Why does Realistic Optimism lead to resilience? While negative emotions narrow the mind and promote quick, sometimes hasty, response, optimism broadens the mind. Those who are optimistic have improved cognitive flexibility and creativity to deal with challenging situations. It is important that this optimism, however, is grounded in reality. Those who are realistically optimistic, rather than that brushing off adversity, delve into its true meaning and approach difficulty in pragmatic, thoughtful way. Overall, realistic optimism promotes more open thoughts and solutions, but ones that are also strategic and rational.

» **Personal Beliefs** is the sense that life has deep meaning and purpose. Personal beliefs may take the form of religious observance, spirituality, or devotion to a particular value system or cause.

People with a high degree of personal beliefs sense that they have a calling and feel connected to causes or values they believe are larger than themselves.

Why do Personal Beliefs lead to resilience? A sense of meaning anchors and stabilizes people in turbulent times. Those who are high in personal beliefs consider the broader picture, and they are able to maintain positive feelings when unexpected obstacles arise. They also have causes or beliefs that they can rely on to keep them motivated and energized.





Appendix

ELEMENTS OF RESILIENCY — ACT

How you handle challenges. This represents how you behave and respond to adversity and difficulty, and is comprised of self-assurance, self-composure, problem solving, and goal orientation. In contrast to how you filter information, these elements of resiliency are more observable to others.

» **Self-Assurance** is the belief in oneself to successfully perform at work.

People with high self-assurance have confidence in their professional skills and their ability to deal with challenges. Because of this strong self-belief, they approach challenges and shifts in demands without loss of enthusiasm. A strong sense of self-assurance enhances people's motivation, commitment, and engagement with their work.

Why does Self-Assurance lead to resilience? Those who are high in self-assurance trust their own skills and believe in themselves to effectively alter their environment. Thus, they are less likely to experience negative emotions (emotions that narrow their minds and leave them feeling overwhelmed by adversity). Self-Assurance helps people maintain motivation and enthusiasm and, ultimately, cope adaptively in the face of difficulty.

» **Self-Composure** is the ability to manage stress and remain calm under pressure.

Those who are high in self-composure deal with challenges rationally without allowing your emotions to take over and drive decisions.

Why does Self-Composure lead to resilience? Those who are high in self-composure are able to keep at bay negative emotions which are paralyzing and unhelpful. Self-composure allows people to recruit the logical, rational, problem solving region of their brains so they can strategize and effectively move forward in the face of difficulties.

» **Problem-Solving** is the ability to plan and resolve conflicts effectively.

Those with a high degree of problem-solving ability generate innovative solutions to problems. They take the time to gather relevant information and plan carefully, using reason, logic, and creativity to make decisions.

Why does Problem-Solving lead to resilience? Those who are effective problem solvers are able to find solutions to problems that others would find overwhelming or excessively complex. They have access to a range of strategies and approaches. Thus, they tackle problems efficiently and appropriately and remain agile in the face of change.

» **Goal Orientation** is the tendency to set appropriate goals, monitor progress on those goals, and adjust behavior accordingly.

Those who are high in goal orientation set ambitious goals and work hard to achieve them, monitoring themselves and regulating their behavior along the way.

Why does Goal Orientation lead to resilience? Rather than idly fantasizing about the future, goal-oriented individuals concretize their future by making specific and achievable plans. Goals narrow people's focus and help them to persist in difficult times.





Appendix

ELEMENTS OF RESILIENCY — INTERACT

How you communicate and connect with others. This refers to your ability to communicate courageously with others and cultivate supportive relationships. These aspects of resiliency are observable to others; however, feelings about supportive relationships are subjective. It is just as beneficial to have one person in whom you can confide as it is to have multiple people.

» **Courageous Communication** is the tendency to communicate with others in a candid and courageous way in the face of difficulty.

Courageous communicators freely and effectively share their ideas with others, ask questions others might be afraid to ask, and confront problems directly. This skill is critical for resolving relational conflicts and differences in viewpoints, and allows people to move towards their goals efficiently.

Why does Courageous Communication lead to resilience? Those who initiate and effectively manage difficult conversations are more likely to clear up misunderstandings, build healthy relationships, and elevate their level of influence. In this way, they become more productive and expand opportunities for themselves.

» **Social Support** is the perception that one is part of a supportive social network. This includes having close confidants and people with whom one can discuss problems.

People with a high level of social support feel that they have close confidants who provide comfort and assistance during difficult times.

Why does Social Support lead to resilience? Social support is a very important buffer to stress. Those who have close relationships have a sense of belonging, self-worth, and security. Rich social support networks may also prevent negative appraisals of challenges. Even on a physiological level, social support has even been found to bolster our immune systems and help our bodies heal from stress-induced damage. In this way, social support helps us to recover from adversity.

