





We've all experienced it. An announcement is made that your company is undergoing change. It comes in many guises—strategic adjustment, resource reallocation and departmental reorganization. But we know it for what it is—disruption and stress. If you're a manager, you may have 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.

#### LIKE IT OR NOT, CHANGE IS INEVITABLE.

Organizations can let external forces control their future or they can embrace—and even drive—change for their own good. Do your leaders and employees have the skills to deal with and create change? If so, your prospects for long-term success are good. If not, you may be the next Blockbuster Video, Sears or Bed Bath & Beyond.

## RESILIENCY & ORGANIZATIONAL CHANGE

Resiliency training develops the skills needed to overcome the natural, counterproductive biases we all have. These natural biases cause us to fear change and they impact our workplace productivity.

Resiliency is the ability to bounce forward in times of change and adversity and to see challenges as opportunities for growth. When we work in a world where change is constant and inevitable, Resiliency skills are crucial.

#### THIS WHITEPAPER DISCUSSES:

- The business imperative for Resilience skills
- How Resiliency training supports organizational change
- Overcoming the Negativity Bias

# THE EFFECT OF CHANGE ON PEOPLE

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. Unfortunately for many of these companies, massive change efforts are no guarantee of success. More than a few companies have turned from profitable giants to mostly-forgotten. Consider Sports Authority, Blackberry, Radio Shack and Tower Records.

While these are recent illustrations, they are hardly alone. It's estimated that at least 50% of organizational change initiatives are either over budget, over schedule, or they outright fail to meet their planned objectives<sup>1</sup>. 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 factor in change efforts.

While change may be necessary, it is also disruptive, and large-scale change efforts are often overwhelming to the employees who are tasked with implementing them. A report from the American Psychological Association says that "American's who reported recent or current change were almost three times more likely to say they don't trust their employer and more than three times as likely to say that they intend to seek employment outside the organization within the next year."

It's a given that the pace of change is not going to slow down. And change is stress inducing. But we can teach employees better ways to deal with stress and change. That's exactly what Resiliency training does.

## PERSONAL & ORGANIZATIONAL RESILIENCE

Some people are adaptable to change and eventually recover from adversity, but this is not enough for organizational success. *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 challenges 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<sup>4</sup>. 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<sup>5</sup>. They also report better physical health and psychological well-being, such as better overall mood and satisfaction<sup>6</sup>. 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<sup>7</sup>. 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.



### RESILIENT PEOPLE

## EXCEL IN THE WORKPLACE

TRACOM conducts research to see how Social Intelligence skills connect to common workplace responsibilities. A recent study of participants in Resiliency training evaluated how people with high Resilience compared with people with low Resilience. Based on data from more than 1800 people, those with high Resilience consistently outperform those with low Resilience.

For example, one question asked if a person is "comfortable initiating change when needed." The average score for people with low Resilience was 4.532 and the high Resilience average was 5.441. This difference represents—a 20% difference (on a 6-point rating scale).

#### TRACOM RESEARCH STUDIES:

Performance Measure	% Increase w/ Resiliency Strength
Stressful situations do not take a personal toll	22%
Positively influences others in times of change	21%
Comfortable initiating change when needed	20%
Helps build a positive culture	18%
Consistently performs at a high level	16%
Initiates appropriate action to challenges at work	15%
Finds opportunities in workplace challenges	15%
Actively supports change when it occurs	15%
Stays engaged in work during times of high stress	14%
Embraces change rather than resists it	14%

# OVERCOMING THE NEGATIVITY BIAS

TRACOM's Adaptive Mindset for Resiliency programs were designed to dramatically increase the Resilience of individuals and organizations. There is a mechanism at work in our brains, called the Negativity Bias, that evolved to help keep us safe from danger. Our research has identified six distinct types of Negativity Biases:

- Internalizing
- Catastrophizing
- Assuming
- Magnifying
- Blaming
- Comparing

TRACOM's programs identify each person's primary Negativity Bias and then teach practical strategies to understand and overcome it. The result is a more productive response to change and higher performance.





Change is stressful, and wide-scale organizational change is one of the most stressful events in people's lives. Change cannot be prevented from occurring. In fact, it's essential for business growth and prosperity. What can be influenced is people's mindset and behavior related to change. By focusing on programs that support and reinforce successful change, organizations can prepare their employees, and the success of implementing change initiatives can be dramatically increased.

Participants in TRACOM's Adaptive Mindset for Resiliency® program develop a new way of dealing with change and acquire practical skills to make change a success. They experience fundamental shifts in their attitudes and behaviors, which leads to greater openness and productivity.

#### REFERENCES

- 1. Beer, M. & Nohria, N. (2000). Cracking the code of change. Harvard Business Review (78)3, 133-141. Hammer, M. & Champy, J. (1993). Reengineering the corporation: A manifesto for business revolution. London: Nicholas Brearly. Kotter, J.P. (2008). A sense of urgency. Boston: Harvard Business School Press. Senturia, T., Flees, L. & Maceda, M. (2008). Leading change management requires sticking to the plot. Bain and Company. Accessed at www.bain.com.
- 2. Metlife. (2010). Working caregivers and employer health care costs. Retrieved from http://www.metlife.com/assets/institutional/services/insights-andtools/ebts/Employee-Benefits-Trends-Study.pdf
- **3.** Galinsky, E., Bond, J. T., Kim, S. S., Backon, L., Brownfield, E., & Sakai, K. (2005). Overwork in America: When the way we work becomes too much. Families and Work Institute. Retrieved from http://familiesandwork.org/site/research/summary/overwork2005summ.pdf
- **4.** American Psychological Association. (2009). Stress in America 2009. Retrieved from http://www.apa.org/news/press/releases/stress-execsummary.pdf
- 5. Luthans, F., Avolio, B., Avey, J. B., & Norman, S. M. (2007). Psychological capital: Measurement and relationship with performance and job satisfaction. Personnel Psychology, 60, 541–572. Youssef, C. M., & Luthans, F. (2007). Positive organizational behavior in the workplace: The impact of hope, optimism, and resilience. Journal of Management, 33, 774–800.
- **6.** Siu, O., Hui, C., Phillips, D. R., Lin, L., Wong, T., & Shi, K. (2009). A study of resiliency among Chinese health care workers: Capacity to cope with workplace stress. Journal of Research in Personality, 43(5), 770-776.
- 7. Avey, J. B., Luthans, F., Smith, R. M., & Palmer, N. F. (2010). Impact of positive psychological capital on employee well-being over time. Journal of Occupational Health Psychology, 15(1), 17-28.



## ABOUT THE AUTHOR

#### CASEY MULQUEEN, P.h.D.

In his role as Senior Director of Learning and Development for TRACOM Group, Dr. Casey Mulqueen is responsible for leading the company and clients in developing and implementing learning solutions that reflect the latest science within the field of organizational psychology.

To this end, Dr. Mulqueen has worked with companies across the world to develop more effective teams, sales processes and large-scale change models. He has developed custom programs and been a professional speaker for organizations such as Ernst & Young, PepsiCo, the Environmental Defense Fund, Reed Elsevier, and ExxonMobil. His work involves the development and validation of individual and organizational assessments, including TRACOM's world-renowned Social Style Model®.

Dr. Mulqueen earned his PhD at the Illinois Institute of Technology and has served as an adjunct faculty member in Colorado State University's Department of Psychology. He is a member of the American Psychological Association, the Society for Industrial & Organizational Psychology, and the International Association of Applied Psychology.

## TRACOM® GROUP

#### THE SOCIAL INTELLIGENCE COMPANY®

We provide the "AH HAs" to people as to how and why they act and interact with the world around them the way they do. We do this by teaching people about the core elements of an individual: their behavior, their emotions and their mindset and the impact these elements have on them each and every day. We call these core elements Social Intelligence. Most people are completely unaware of the impact that these elements have on them each and every day in how they interact with others and how they frame what is happening in the world around them.

For more information, visit <u>WWW.TRACOM.COM</u> or call (303) 470-4900 — (800) 221-2321 (U.S. only)