

The Shadow Side of Change and the Change Equation.

By Dr Roger Greene, Alastair Mitchell-Baker and Nick Richmond.

Abstract

In this paper we explore a hypothesis about what is routinely described as “resistance to change” in change and transformation programmes. We posit here that people do not resist change. Rather we argue that the human condition makes us fundamentally averse to loss and resistant to being changed.

Our thinking is based on the theory of Existential Psychotherapy, and in particular the work of Irvin Yalom and his findings from clinical practice and research. It is rooted in our own reflections, wider literature review and experiences both in our Organisation Design and Development practice and in our personal lives over many years.

We identify 4 **ultimate concerns** which we believe underlie “resistance to change” and we explore these 4 ultimate concerns in their potential for expanding and enhancing the widely used Change Formula by Gleicher, Dannemiller, and Cady or Change Equation by Beckhard and Harris.

We explore briefly how each of these ultimate concerns may show up in personal and organisational life and how surfacing and addressing them may unfreeze or unstick resistance and help to release productive movement towards change.

1. The Organisation Development paradigm

The humanistic values and ethical basis for Organisation Development theory and practice are predominantly appreciative and asset based. As practitioners we want to support clients to construct a better future for themselves, and we deploy insightful tools and methods to help them see what “good would look like” and how to get there. We rarely address the cost of failure and tend to leave that part of change programmes to the Programme and Project Managers in constructing Risk Registers.

As a company we have a long history of consulting through these approaches – and while frequently successful, they often produce frustratingly mixed results, or we find them getting blocked somewhere in the client system. We have asked ourselves why an apparently well-constructed set of solutions engendered through whole system engagement and stakeholder dialogue, designed by the stakeholders themselves, using up-to-date OD methodologies, sometimes flounder and get stuck.

We have reflected, and posit here, that the fundamental issue has been the failure to consider adequately the shadow side of change together with the benefits of change or what we term the Future Hope.

2. The Change Formula or Change Equation

The Change Formula, sometimes known as the Change Equation, provides a model to develop and assess the relative strengths affecting the likely success of organisational change programmes.

The development and refinement of the Change Formula in its slightly differing formats is variously attributed to Gleicher, Dannemiller and Cady, while the Change Equation is commonly attributed to Beckhard and Harris. It is not our intention to debate the attribution or differing versions here but to expand its valuable insights and application by focussing on the R of the formula/equation.

For purposes of this paper we have stripped the Change Equation back to $D \times V \times F > R$, where:

- **D: Dissatisfaction** with how things are now; sometimes framed as the Desire for change.
- **V: Vision** of where people are headed together. What does a good future look and feel like?
- **F: First** concrete steps that can be taken towards the vision. What's the plan?

In the Change Formula the three factors, when multiplied, must produce a number greater than R, to overcome resistance to change. The formula draws attention to the need for each of the factors to be attended to, and hence greater than 'zero' – otherwise the total change effort will always be 'zero'.

We observe that the $D \times V \times F$ side of the equation invariably elicits specific and actionable responses, yet the generic R for resistance is either ignored or leads to speculative considerations in OD practice about the source and nature of the resistance because it is insufficiently articulated and focussed. ^{i ii}

If we can identify and validate the possible sources of resistance to change it becomes possible to surface and address them to unfreeze or unstick the resistance and help release productive movement towards change. To use Paul Tolchinsky's phrase, we need to appreciate resistance as a "gem to be mined".

3. Aversion to loss.

The Nobel Prize-winning economist Daniel Kahneman is the founder of Behavioural Economics. With his co-researcher Amos Tversky, Kahneman broke new ground in behavioural science with the concepts of Heuristics and Biases. ⁱⁱⁱ

In their work on Prospect Theory, Tversky and Kahneman identified the power of loss aversion. In *Thinking Fast and Slow*,^{iv} Kahneman writes:

Many of the options we face in life are "mixed": there is a risk of loss and an opportunity for gain, and we must decide whether to accept the gamble or reject it. Investors who evaluate a start-up, lawyers who wonder whether to file a lawsuit, wartime generals who consider an offensive, and politicians who must decide whether to run for office all face the possibility of victory or defeat.

And:

We must balance the psychological benefit of getting \$150 against this psychological cost of losing \$100. How do you feel about it? Although the expected value of the gamble is obviously positive, because you stand to gain more than you lose, you probably dislike it - most people do. For most people the fear of losing \$100 is more intense than the hope of gaining \$150. We concluded from many such observations that “losses loom larger than gains” and that people are loss averse.

In a similar vein Ori and Rom Brafman write in Sway about the irresistible pull of irrational behaviour:

We experience the pain associated with a loss much more vividly than we do the joy of experiencing a gain.^v

And:

The more meaningful a potential loss is, the more loss averse we become. In other words, the more there is on the line, the easier it is to get swept into an irrational decision.^{vi}

The patterns articulated by Kahneman and Ori and Rom Brafman are identified and explained in underlying neuroscience research around risk and reward.^{vii}

We propose here that people do not resist change as such. Rather we argue that, in our most basic human condition, we are fundamentally averse to loss. That being the case, we need to understand the psychopathology of loss better to be able to identify and engage with it in our interventions with organisations, teams and individuals.

Another manifestation of underlying tacit thinking blocking progress is seen in our coaching practice where we typically find what Keagan and Leahy describe as ‘Competing Commitments’ presenting as “self-limiting beliefs”. They may have served us well to get to where we are, but now limit our capacity to change and progress even when we have the very best of intentions to change. We must be prepared to ‘lose’ them in some way if we are to progress.

In summary we believe OD enquiry therefore needs to be more specific and focussed than is discoverable through the generic R of the $D \times V \times F > R$ equation.

4. Sources

Our initial insights around unpacking the R domain come from the personal exploration of the experience of loss and grieving by Roger following the death of his wife Vicky during the first phase of COVID in 2020.^{viii} His reading and personal work led him to explore the work of Professor Irvin Yalom of Stanford University of Medicine and his theory of Existential Psychotherapy, as defined in the textbook of the same name in 1980.^{ix} Existential Psychotherapy theory is based on Yalom’s findings from clinical practice and research with hundreds of clients where he found repeating patterns whereby clients only moved forward when they could name and explore one of what Yalom describes as the four Ultimate Concerns underpinning any psychopathology in clinical psychotherapy. These are death anxiety, freedom, isolation, and absence of meaning.

Yalom draws from existential philosophy which in turn is rooted in the work of the 19th century Danish philosopher Soren Kierkegaard. Subsequently, Martin Heidegger's Being and Time is regarded as the most important philosophical text. Jean Paul Sartre is among the best-known philosophers and writers from the school of Existential Philosophy. The core questions existential philosophers are asking are around the nature of existence.

5. The Four Ultimate Concerns

Yalom defines Existential Psychotherapy as a dynamic approach to therapy which focuses on fears that are rooted in the individual's existence. He describes the 4 Ultimate Concerns (for any human being) that underpin neuroses and psychological dysfunction (ill-being and ill-health) as:

- Death anxiety
- Freedom
- Isolation
- Meaninglessness

As Organisational Consultants, we frequently hear reference to dysfunctional teams and organisations as well as people, and we think of organisational pathology in the language of symptoms or causes discerned through data analysis, with data being all information, whether "hard" or "soft".

Our hypothesis is that if the 4 Ultimate Concerns are the root of individual psychopathology, the same 4 Ultimate Concerns may be applicable to any human experience in lesser or greater ways, including the wellbeing and health of organisations and teams. If this hypothesis is correct, it has potential to explore and mine the shadow side of change, by which we mean the R of the $D \times V \times F > R$ in our OD practice.

We will now explore each ultimate concern using the acronym FILM for ease of application.

a) Freedom

Yalom writes "the philosophical debate concerning freedom and causality has not ceased for two thousand years. Throughout the centuries the concept of absolute freedom has always engendered bitter opposition because it has clashed with prevailing world views...".^x

For Yalom, freedom entails the responsibility and burden of making choices in life, often in a context of uncertainty or ambiguity, where responsibility means authorship "of one's own self, destiny, life predicament, feelings and, if such be the case, one's own suffering."^{xi}

We see this working out in society – one person's freedom to refuse vaccination for COVID19 for example was also their freedom to imperil another person's health. In the USA the freedom to carry firearms is also the freedom to use them on another person and potentially kill them.

Yalom describes the 2 key aspects to freedom as:

- The individual's freedom to create his or her own life.

- The freedom to desire, to choose, to act and to change.

The hypothesis here is that this Ultimate Concern translates in the organisational setting to:

- A fear/experience of loss or reduction of agency and autonomy
- An absence of safe boundaries (roles and responsibilities, status & power)

We would also observe that even if there is no threat to personal agency or autonomy, the simple absence of agency/autonomy can lead to apathy and indifference in an organisational setting.

This fear of loss of agency or autonomy, or uncertainty/ambiguity of boundaries can be applied at all levels from the individual to the organisational.

b) Isolation

Isolation is about an inherent sense of aloneness and the difficulty of truly connecting with others.

This Ultimate Concern has 3 sub-categories:

1. **Interpersonal** – isolation from other individuals, loneliness, including geographic isolation or lack of social skills or personality type.
2. **Intrapersonal** – where a person partitions off parts of themselves. In psychopathology this could show up as a defence mechanism to strip a traumatic experience of its affect so that it is isolated from the ordinary processes of thought.
3. **Existential** – an unbridgeable gulf between oneself and any other being, a separation from the world.

These sub-categories would appear all to apply to the OD world of work and organisations – in their expression of connectedness to others in a team or organisational environment.

The hypothesis here is that:

- Interpersonal Isolation is within the scope of OD and Organisation Design for teams and organisations.
- Intrapersonal Isolation is within the scope of coaching insofar as it could be expressed as a partitioning between the “internal self” worlds of work and family, or other critical aspects of a person’s life, resulting in inauthenticity in one or several of those worlds (my work self, my social self, my family self, my spiritual self, my club self).
- Existential isolation, like Interpersonal isolation, is within the scope of OD and Organisation Design insofar as it expresses a person’s connectedness (or disconnect) to the meaning, vision, ethics, culture and values of an organisation. It is a key dimension of individual and collective understanding and processing of health.^{xii}

c) Loss

Yalom says “the terror of death is ubiquitous and of such magnitude that a considerable portion of one’s life energy is consumed in the denial of death. Death transcendence is a major motif in human experience.”^{xiii} Death is the most dramatic and final loss in human experience.

In the context of work and organisations, ceasing to exist or organisational death can be a potential concern for the workforce at times of commercial mergers/acquisitions or the endemic reorganisations that happen in public services such as the NHS, and loss anxiety can be experienced that is genuinely existential. For example, the COVID19 pandemic generated a tidal wave of fear of businesses ceasing to exist, with whole sectors of the economy, especially in hospitality and the retail trade under threat. The loss of a job or a career can have a deep existential impact on the identity, self-worth, wellbeing and health of both individuals and families, and the connection between health inequalities and employment status is well documented.

This fear of loss (or the death of something meaningful to us) can generate significant resistance to change in people and organisations. The hypothesis here is that people are not resisting the change – they are resisting the threat of loss that triggers the amygdala to flee, freeze or fight in its instinct to survive. The accompanying pathology is a fear of loss or existential threat.

The experience of the threat of loss may happen at both the macro and the micro levels. A macro-loss (e.g. an organisation closing down) might not be experienced equally by an ambitious young early-career person with no family responsibilities, a mid-career person with a mortgage to pay and family to support, a late career person close to retirement who may be due a significant redundancy package, or the business founders or owners to cite but 4 examples. Their fears are not homogeneous, but they are diverse, and each is legitimate in its own right.

We consider the naming of the sources of resistance can be mined appreciatively and constructively. In the same way as naming an anxiety or pathology (whether physical or psychological, and however painful) is the first step to healing, naming the potential sources of resistance can be managed in an empathetic and constructive way.

d) Meaning

Yalom quotes Albert Camus from the Myth of Sisyphus: “I see many people die because they judge that life is not worth living. (...). I therefore conclude that the meaning of life is the most urgent of questions.”

We believe in the same way that the question of meaning in work leads to many urgent questions.

- Why do we do what we do and what meaning does it have – apart from paying the bills and putting bread on the table?
- What is the deep purpose of my work?
- Why do I do my job and what meaning does it have?

- Would it make the remotest difference if I didn't do what I do at work?
- Would anyone miss me?

The hypothesis here is that meaninglessness is a source of organisational and personal ill-being and pathology. It may tip into organisational psychopathology in the work setting to create dysfunctional people, teams, and organisations.

By way of example, in the 1990s and early 2000s, the Nursing profession in the UK was developed more as a “knowledge” profession about technical tasks, including tasks and skills previously the domain of doctors, but relegating in importance the core aspects of care and compassion. This led to bizarre situations such as when one of the authors (Roger) became CEO of an acute hospitals NHS Trust and heard that the staff had been told by the local health commissioners that their job was ‘just to treat’ people and not to ‘care’ for them!

This fundamental mislaying of care and compassion at the very heart of healthcare, whilst never shared by most frontline nurses, insidiously infected national policy. Alastair recalls arranging for Dr Robin Youngson to speak at a national NHS conference on compassion in 2008^{xiv} when it felt like he was advocating a different language.^{xv xvi xvii} Thankfully, nurses and the wider NHS, have firmly re-established compassion as core, and indeed ‘compassionate and inclusive leadership’ is now seen as the gold standard in the NHS. This recovery of meaning has had significant benefits though there is still more to do to make it as consistent as it needs to be.

Meaning and Purpose are at the very core of our Tricordant consulting models and indisputably at the core of all our OD work.

6. Alignment with existing OD theory

It strikes us that many OD and related approaches seek to uncover the ‘basic or hidden assumptions’ which underlie individual and collective behaviours. Two well-known examples are the work of Ed Schein on culture, and Keagan and Leahey on Immunity to Change.

Ed Schein^{xviii} defines culture as “A pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems.”

These basic assumptions are often hidden and implicit, ‘below the waterline’ or ‘under the mud.’ When basic assumptions are made explicit and understood, they can make sense of the visible above the waterline organisational behaviours. Six types of assumptions form the paradigm for every organisation:^{xix}

1. The truth in physical and social matters.
2. The importance of time in a group.
3. How space is to be owned and allocated, the symbolic meaning of space around people.

4. The intrinsic or ultimate aspects of human nature, i.e., whether the human nature is fundamentally good or bad.
5. The organisation's relationship with its environment and about the understanding of work.
6. The right way for people to relate with each other, the appropriate ways to distribute power and responsibilities and the appropriate ways of resolving conflicts and making decisions.

Our hypothesis in this paper is that discovering the possible causes of R (Resistance) in the way we have described will lead to a greater understanding of the basic or hidden assumptions Schein identifies.

Keagan and Leahey^{xx} have also described how the inability of individuals, organisations, or whole systems to change, in what they describe as an 'immunity to change', arises when they are "unwittingly caught in a Competing Commitment — a subconscious, hidden goal that conflicts with their stated commitments." We posit that Yalom's 4 Ultimate Concerns can bring hidden competing commitments to the surface in individuals, teams and organisations through careful and sensitive discovery.

In exploring the shadow side of change, we have tested some other organisational models and theories against the lens of the 4 ultimate concerns. For example:

- 21 organisational pathologies have been identified from Patrick Hoverstadt's book *The Fractal Organisation*,^{xxi} based on Stafford Beer's Viable Systems Model. These pathologies are predominantly concerned about the inter-relationships, processes, and boundaries within multi-level systems, which by their very nature will be likely to focus on specific ultimate concerns. In this case the systemic issues of Freedom (dealing with issues of power, agency, autonomy, and boundaries) and Isolation (inter-relatedness within the system).
- Resilience in people and organisations. Diane Coutu's seminal work on resilience: "Resilient people possess three characteristics — a staunch acceptance of reality; a deep belief, often buttressed by strongly held values, that life is meaningful; and an uncanny ability to improvise. You can bounce back from hardship with just one or two of these qualities, but you will only be truly resilient with all three. These three characteristics hold true for resilient organisations as well....Resilient people and companies face reality with staunchness, make meaning of hardship instead of crying out in despair, and improvise solutions from thin air. Others do not."^{xxii} Here Coutu aligns with the need to accept loss or threat ['a staunch acceptance of reality'], freedom and autonomy to act ['an uncanny ability to improvise'] and meaning ['a deep belief, often buttressed by strongly held values, that life is meaningful'].

Similarly, other models will by nature of their origins and underpinning assumptions, focus on different aspects of the ultimate concerns.

7. Application

We propose that we insert the 4 Ultimate Concerns into the R domain of the change formula, to create a more focussed and balanced view of change management to address both sides of the equation in an appreciative way, embracing the shadow side of change, enabling resistance to be identified and explicitly addressing above the organisational waterline, rather than allowing it to ferment below the waterline.

The resulting formula, where FH represents Future Hope, would be:

$$\mathbf{FH (D \times V \times F) > R (F \times I \times L \times M)}$$

Targeting the sources of resistance more accurately for each of the 4 ultimate concerns allows the development of appreciative and constructive change strategies that are built on a participative organisational diagnostic rather than subjective assumptions by the organisational leadership.

The diagnostic can identify WHAT? is happening below the waterline, enabling the SO WHAT? to be assessed and evaluated, in order to decide NOW WHAT? the organisation change process has to address and plan to mitigate.

We have begun using this language and the concept with clients. It's early days but it's been well received so far.

Our working assumption is that being able to identify and name the sources of resistance, or fears of loss, will help clients explore change and resistance at a deeper level, in the way Schein, Keagan and Leahey, Heitfz^{xxiii} and others would describe.

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