

# Embracing CHANGE

By Janet Rorholm

**W**ith demand for starch dwindling, Penford Products faced an uncertain future. After much research, number crunching and soul-searching, company leaders opted to turn to the burgeoning ethanol industry, converting some of its starch processing capacity to ethanol production.

But before it made the \$42 million announcement to employees and, ultimately, the public about a year ago, Penford's leadership team turned to a professional public relations firm to guide them, knowing that change is typically not easy, or well received from most people. "Companies, in general, don't go through major changes like this very often," said Tim Kortemeyer, president and general manager of Penford Products of Cedar Rapids.

Getting outside help is just one way management leaders can help make sure the path to change is a smooth one whether it be a major product change like Penford, an ownership

change, a new software system, or a new marketing strategy, according to business change experts. The path to embracing change can be made smoother if business leaders recognize there are some things they can do to help employees support the change rather than resist it.

"Many businesses typically make mistakes because they don't realize everyone views change differently. They think everyone is seeing it the same way," said Brian Irwin, project management consultant with PM Team Dynamics, Cedar Rapids, ([www.pmteamdynamics.com](http://www.pmteamdynamics.com)).

A person's reaction to change is usually



**Brian Irwin**  
PM Team Dynamics

**Andrew Hall**  
Alignorg Solutions



Tim Kortemeyer, president and general manager of Penford Products, Cedar Rapids, conducts an info share meeting with employees. The quarterly meetings give management an opportunity to update them on progress in converting part of its production to ethanol.

Mark Tade photo/EdgeBusiness

dictated based on who is making the change — someone else or ourselves, Irwin said. Change that is done to us is usually not well received.

“We hate being told what to do. It interferes with our self and who we are,” he said.

If we are imposing change on ourselves, it’s much more accepted because we’re in control — we are the ones doing something, although “that doesn’t mean it’s easy,” Irwin said.

But in the business world, few employees are actually in control of the changes taking place, so if possible, change experts encourage business leaders to get employees on board with a decision and make them a stakeholder in change, change experts said. That could mean bringing various employee groups into the decision-making process when appropriate.

“The more choices we have the less resistance there will be, so the key is to get as much information to people as possible,” said Andrew Hall, organizational design consultant with Alignorg Solutions of Iowa City ([www.alignorg.com](http://www.alignorg.com)).

Hall encourages business leaders to view a change similar to how they would view risk management.

“In risk management you assume the worst and you build an emergency response plan. With change it’s the same way. Assume there will be resistance so plan for it. Also, don’t assume everyone will resist because that could alienate some people,” he said.

But if nothing else, business leaders should provide open and honest communication at all

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stages throughout the change process whenever possible, change experts said.

“People should not be blind-sided. Management should communicate openly and honestly. That’s the keystone to trust,” Irwin said.

Informing employees that a change is coming may not be possible when it’s a sale or merger, but it’s important for management to let employees know why they couldn’t let them know about the change and then keep them informed

of what will happen as soon as the announcement is made, they said.

Business leaders should also be mindful with any major change, power structures may be threatened and those with power may stand to lose power and those without may gain it. That can breed resistance, Irwin said.

If business leaders do not feel they have the expertise to facilitate change, experts do encourage them to seek guidance from a third party, similar to what Penford did.

Kortemeyer said the public relations firm was instrumental in preparing leaders for what to say when they talked to employees, reminding them to address individual concerns like, will I continue to have a job and will my job change? They even helped role play with leaders asking them all kinds of questions so that they wouldn’t get caught off guard, he said.

Kortemeyer and other leaders rolled out the news of a product change to employees in five separate one-hour meetings with employees from all four shifts as well as salaried employees in one day.

“We had to explain what we were doing and why we were doing it and what it meant for the future,” he said.

Kortemeyer said reaction was mostly positive from employees.

“Generally speaking there was a lot of excitement. That’s why it has gone so well. The vast majority of employees saw it as a positive move,” he said.

Most realized the change would help secure the viability of the plant for the future, which translates into a job for them. Penford is on target to start processing ethanol by the end of the year.

## Tips on helping employees embrace change:

- **Communicate as soon as you can.**
- **Do not assume everyone will embrace the change.**
- **Be mindful of the process people or groups will go through to accept change.**
- **Address the perceived person impact immediately. Will people lose their jobs or will their job change?**
- **Be sure to include middle managers into the process. They can set the tone as to how employees will view the change.**
- **Try to include rank and file employees early in the process and make sure they are comfortable with the change.**
- **Tell employees first. Don’t let customers hear about it before they do.**

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