

Change and Change Management

CHANGE !

what's is all about ?

what does it mean to you ?

what is change management ?

"Change is the only constant"

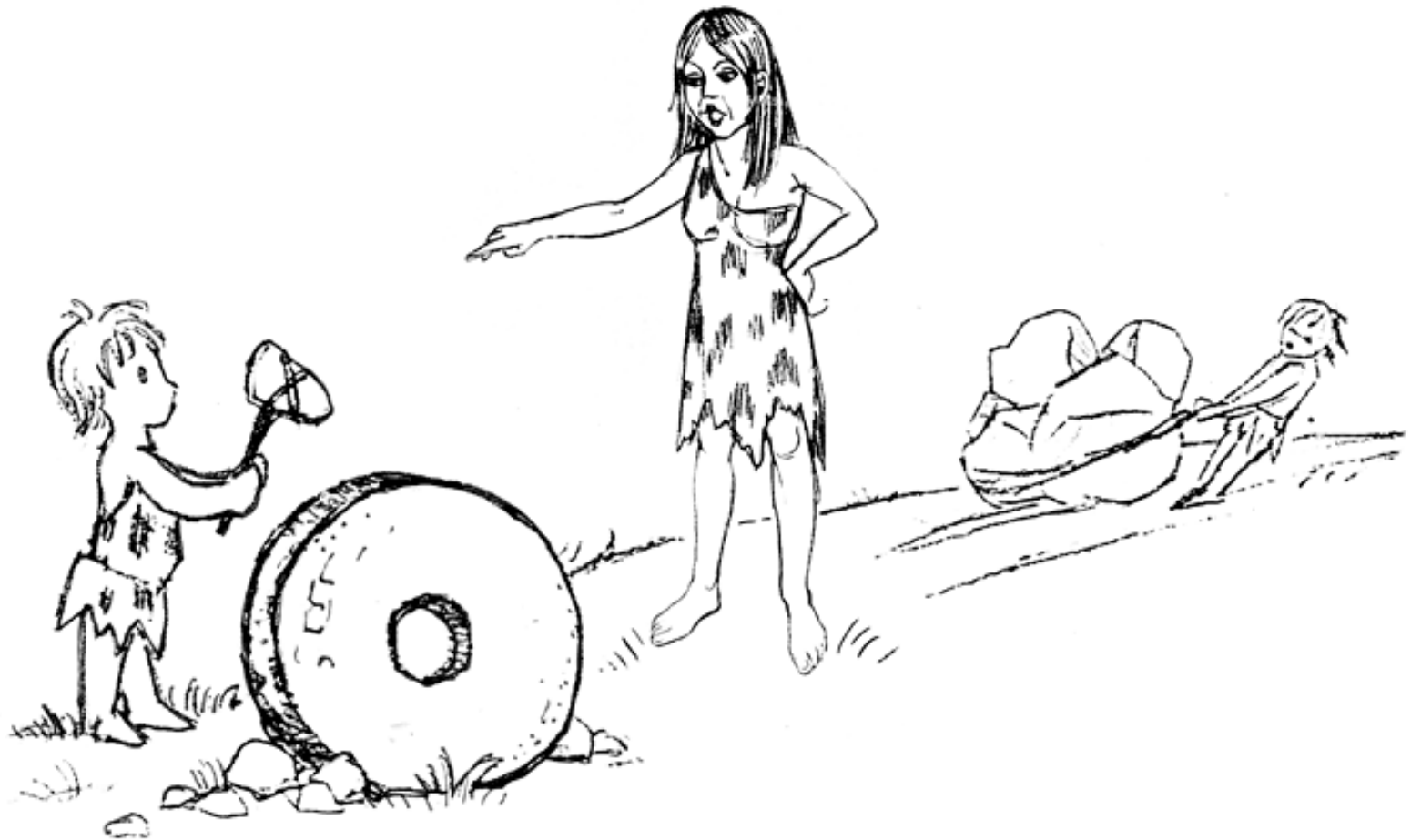
Heraclitus, Greek philosopher

Change is a constant factor in any business or organisation, whether it's driven by shifts in technology, digital transformation or changing market pressures.

Changing your business can be a difficult and daunting task, and if you don't take steps to ensure it's handled well, poorly-managed change can end in disaster.

That's why having a solid change management strategy is so essential.

If you always do what you've
always done, you'll always get what
you've always got!



All you've done is chisel all day! Do something useful,
like helping your brother drag those rocks up the hill.

© Marjorie Sarnat

Change Management

- is the term used to refer to the change or transitioning of people, groups, companies and projects from one state to another.
- In the context of business it refers to a process of transitioning the scope of the business in such a way that it can meet changing requirements and objectives
- **“Good”** Change Management at its simplest involves the application of structured methods and a pre-planned framework for how your organisation is going to move from the current state to some future state
- Appointing a dedicated leader and team to coordinate the process is essential to ensure that you can complete the process with minimal disruption to your day-to-day business whilst keeping sight of the goals you want the change to accomplish.

The process of change management

- **Assess**

Establish what is needed. Viable change depends on a clear assessment of the impact it will have on various parts of the organisation and other stakeholders, understand the consequences

- **Prepare**

create a vision, gain support from the organisation and key stakeholders (these could be customers and the supply chain). There needs to be an emotional, rational and often an economic case for change

- **Plan**

The map, the start point, the route and the destination. Defines activities, considers the risks, roles and tasks to manage, basis for control / tracking, considers contingencies

- **Implement**

communicating the benefits, removing barriers, coordinating activities that change how the business operates, manage the risks, be flexible / adjust / respond / react as it wont all be plain sailing

- **Sustaining change**

critical - successful change sustains the benefits in the long term, evaluating performance, rewarding behavioural changes. Organisations must embed the appropriate mind sets, practices, and behaviours at every level (Culture change)

What are the stimulators or catalysts for Change ?

Where does this stimulus come from ?

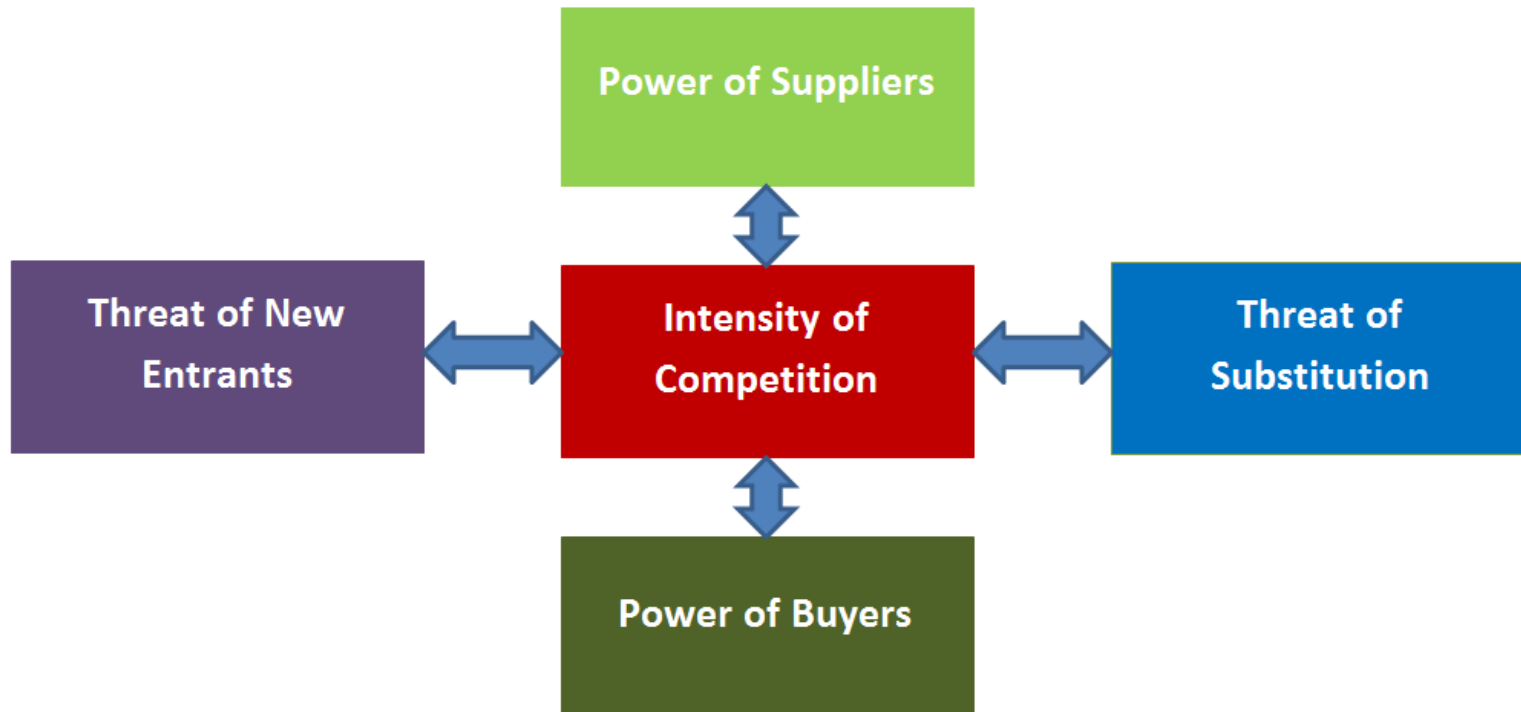
Stimulators for Change – External Environment factors

PEST(LE) Analysis

- P – Political
- E₍₁₎ – Economic
- S – Social
- T – Technological
- L – Legislative
- E₍₂₎ – Environmental

Stimulators for Change – External Competitive Environment

Porters 5 Forces model



Stimulators for Change – Internal / External factors

SWOT Analysis

- S – strengths

Internal

- W – Weaknesses



- O – Opportunities

Internal / External

- T – Threats

Can anyone share one example with the group
of change that you have been involved with ?

What was the change about ?

In what way were you involved ?

What went well / badly ?

Was it successful ?

Lessons learned / what would you do differently ?

Some live examples of change taking place

- **Political / Legal**

Brexit, International political relations (USA, China, N.Korea, Russia, UK, EU, M.East,
International Security / Terrorism, Sanctions, Legislative changes in all spheres of life

- **Economic - Global economy / Domestic Economy (E_1 , P)**

Low cost country outsourcing --> “on shoring”

Import / Export, International Logistics, Mr Trump’s import tariffs

Demise of the high street / internet shopping

UK energy costs, international competition

Business growth / expansion / closures / employment law

Health and Safety, Compliance,

Innovation, Collaboration (B2B, Universities / Industry)

Some live examples of change taking place

- **Social**

Changing demographics, advances in medicine, people living longer

increase in diseases such as Alzheimer's, pressure of NHS

skills gaps, need for technology, automation replacing workers

government and local authorities budget caps

pressure on pensions and the welfare state

affordability of housing, living with parents longer

low cost travel, tourism leisure pursuits

reduction in smoking

Crime

equality, the “gig” economy, zero hours contracts

Some live examples of change taking place

- **Technological advances:**

the “Digital Age”, 4IR (connectivity), mobile, Google, Social media, Facebook, You Tube, electronic point of sale live data capture, speed of doing business, cyber crime, medical advances, automation, robotics, artificial intelligence AI, productivity, efficiency, quality.....but replacing workers

space travel (Elon Musk, Richard Branson et al)

- **Environment (E₂)**

Greenhouse gases, world climate changes, impact on wildlife, impact on humans

Waste / recycling, plastics, re-renewable

energy, electric vehicles (ultimate demise of petrol / diesel)

“Circular Economy”

Winners and Losers – Embracers and Defenders

- Every aspect of change presents Opportunities and Threats
- Embrace change, your competitors are going through the same challenges
- Opportunities are real – seize them, maximise them, don't waste time
- Threats are also real, ignore or defend against change at your peril
- Threats are often just perceived due to fear of the unknown - resistance
- Defending the status quo is a major hindrance, a major challenge to overcome

“We have always done it that way”, and in most cases people don't know why !

- Engaging people early is very helpful
- Allaying fears is crucial, but there still may be casualties, be factual
- Communication and positive reinforcement is key

Change - Opportunity or Threat ?

those who:

- Can't see it
- Deny it
- Avoid it
- Can't react to it
- Get consumed by it
- Don't manage it
- Lose



those who:-

- Anticipate it
- See it
- Accept it
- React to it
- Embrace it
- Manage it
- Win

What are the approaches to managing change ?

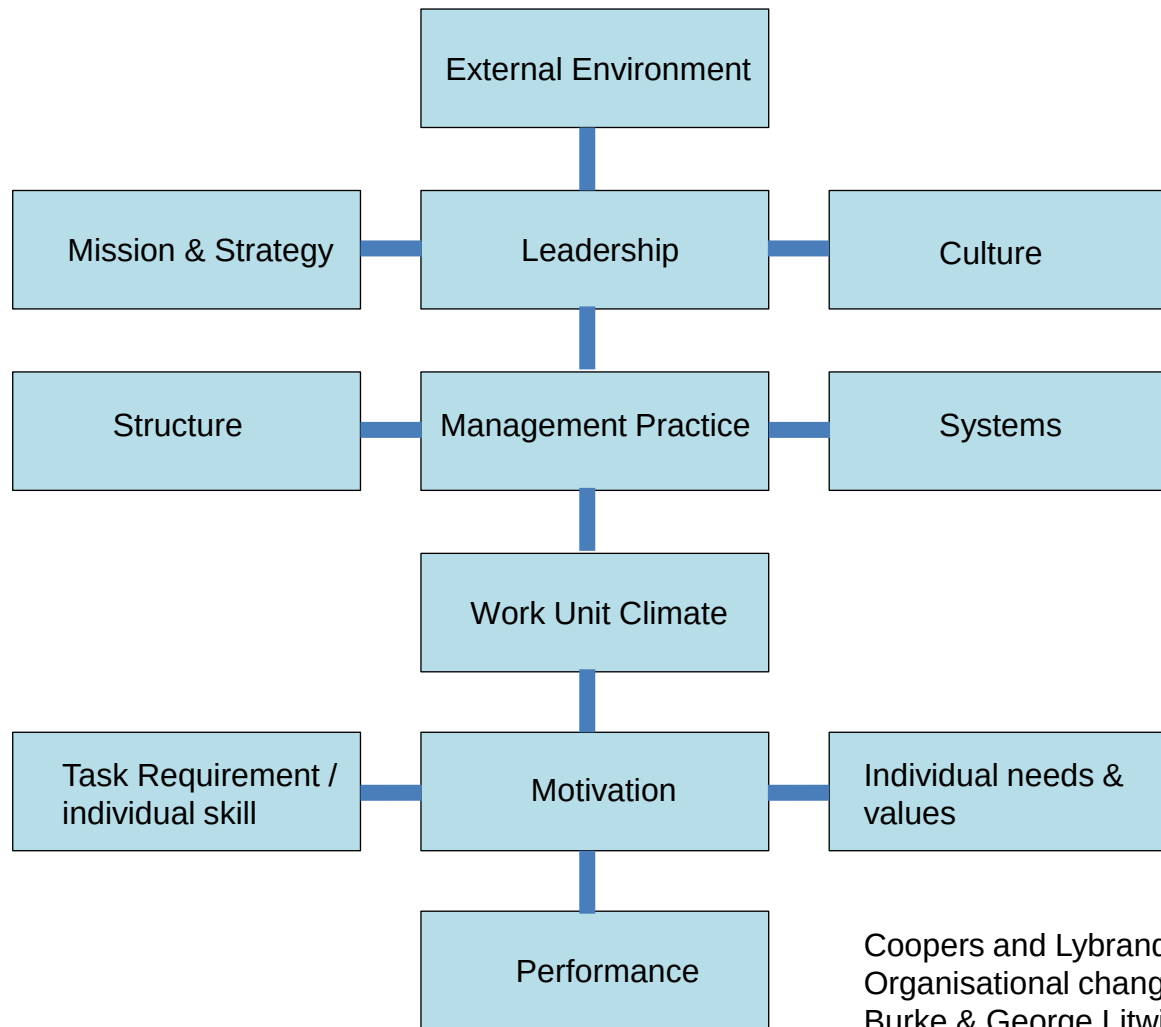
Schools of thought

There are numerous different schools of thought as to how best to approach a change management programme, based upon two generic themes that stem from two different concepts of strategic management.

- The Classical approach to strategic management: linear, structured, planned pioneered by **Igor Ansoff**, which led to the formal approach to change the “Planned Approach” of Transformational change
- The Processual school of strategic management, advocated by **Henry Mintzberg** et al, decision making is far from linear or rational but based upon a contingency approach, dependent on circumstances, the “Emergent Approach”

There's no 'best' or 'right' way to conduct change management; it will vary from business to business, based on their specific needs, culture and organisation and situation that needs to be addressed

Understanding the Dynamics of Organisational Change



Coopers and Lybrand / Warner Burke Model of Organisational change based upon work by Warner Burke & George Litwin. One possible framework for understanding organisational dynamics and linkages – Source Wood Parker, T (1997)

Planned approach

Step Change – Major Change – Transformational - Top down

- Urgency needed, low engagement, less people oriented
- Face the Brutal facts, can be a brutal process
- Business closure (fear of job losses)
- Survival (fear of job losses, but hope for a future)
- Radical restructure (fear of job losses, but hope for a future)
- Turnaround (fear of job losses, but hope for a future)
- Legislative imposition ie. HSE Improvement notice
- Changing historical working practices – “we have always done it that way”
- Investment in new technology (fear of job losses, but hope for a future)
- Divestment / Acquisition

Emergent approach

Incremental change - Continuous improvement – Top Led but Bottom up

- Less radical, softer, slower, but essential
- Continuous, on going over long periods of time
- Employee engagement, alignment with a Vision, a “common goal”
- Organisational Learning and People development, training
- New working practices – flexibility, productivity, quality
- New products, New processes, New markets, Growth, Shrinkage
- Culture change, behaviour change, relinquish bad habits, adopt good habits
- Quality improvement, Operational, Commercial and Administrative practices
- Increasing the focus on customers and customer service

The different models of change management

There are some approaches that are generally regarded as successful models for change management, devised by some of the world's top business academics.

Kotter Model

Professor John Paul Kotter of Harvard Business School devised an eight-step process for leading change. Creating a sense of urgency, building a guiding coalition, forming a strategic vision and initiatives, enlisting a volunteer army, enabling action by removing barriers, generating short-term wins, sustained acceleration, and instituting change

Lewin Model

Kurt Lewin, recognised as the founder of social psychology, developed a change model involving three steps:-

Unfreezing, Changing and Re-freezing.

Kübler-Ross Five Stage Model

developed by Elisabeth Kübler-Ross from her research on the dying and death, also known as the Grief Model as it talks about the various emotional states and stages a person goes through when he/she discovers the end is near. The model can also be applied to other life situations: loss of job, changes in work, less serious health conditions. The model helps to understand and deal with personal trauma and has been widely accepted worldwide.

The different models of change management

Carnall Model

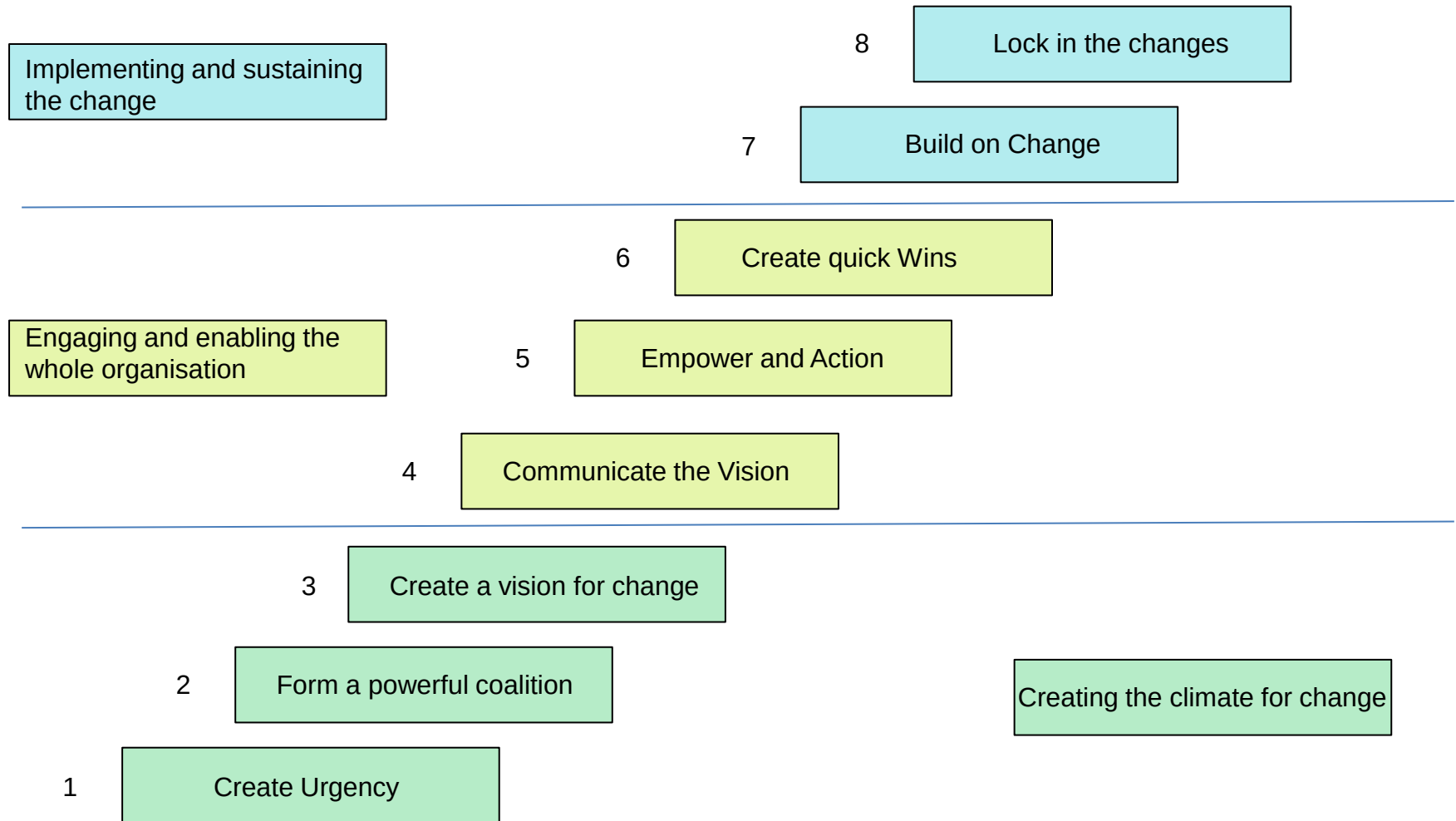
Colin Carnall, was associate Dean and executive of programmes and Professor of strategic Management at Warwick Business School, proposed a model that centres on the role of the manager during the process of change.

In his book, *Managing Change in Organisations*, Carnall says that managers skilled in managing transitions will create an environment of creative risk-taking and help people learn as they implement change. In turn, this achieves change in the organisation

McKinseys' 7 S Framework

one of those few models that have managed to persist even when others came in and went out of trend. It was developed by consultants working for McKinsey & Company in the 1980s and features seven steps or stages for managing change.

Kotter's 8 step Change Management Theory (John P. Kotter)



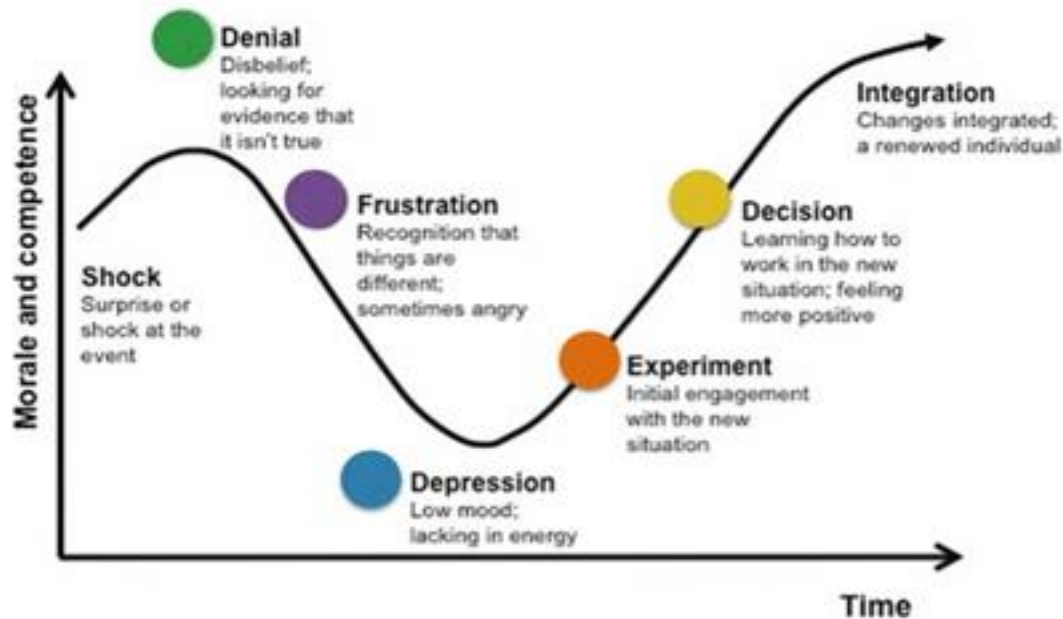
Lewin's 3 Step change process



- Determine what needs to change
 - Ensure there is strong support from upper management
 - Create the need for change
 - Understand and managed the doubts for change
- Communicate often
 - Dispel rumours
 - Empower action
 - Involve people in the process
 - Make it happen
- Anchor the changes into the culture
 - Develop ways to sustain the change
 - Provide support and training
 - Celebrate success

Kuebler Ross change curve

The Kübler-Ross change curve



Create Alignment

Maximize Communication

Spark Motivation

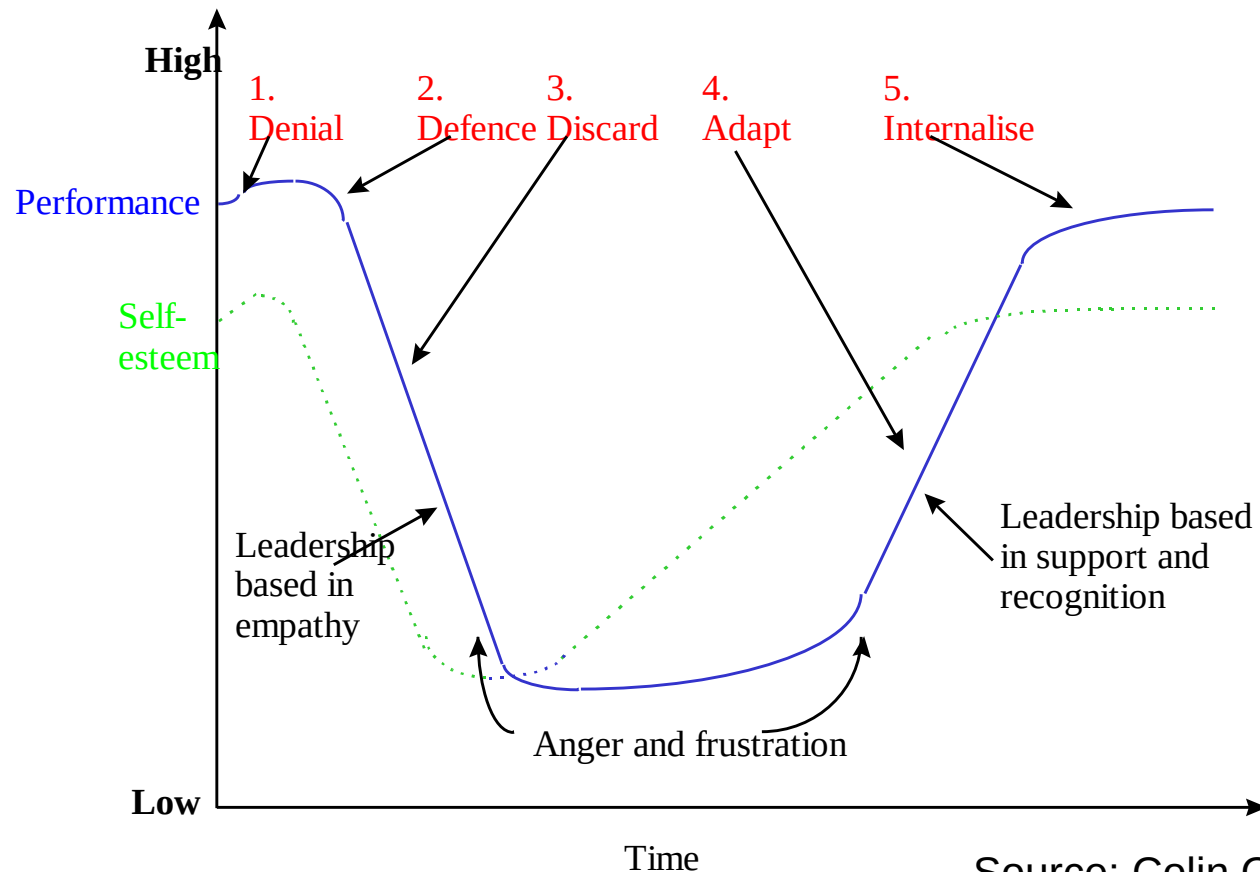
Develop Capability

Share Knowledge

Carnall's Self Esteem and Performance Model

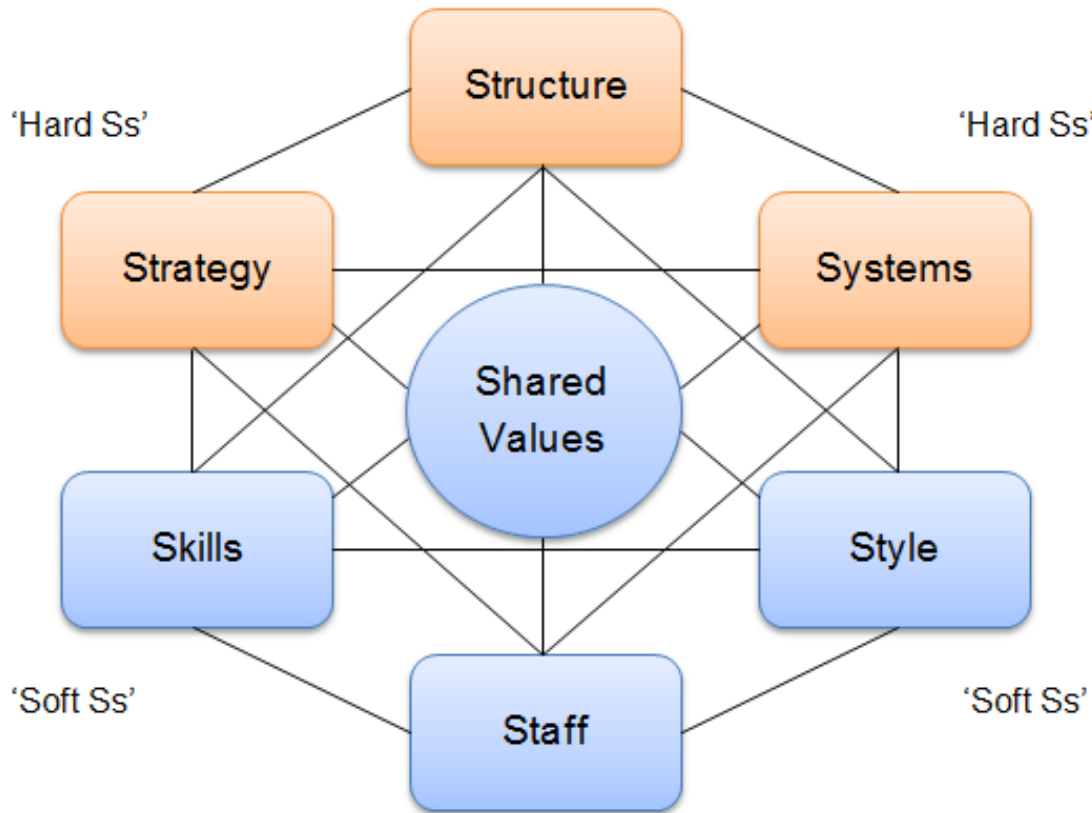
The five stages are:

1.Denial → 2.Defence → 3.Discard → 4.Adaptation → 5.Internalisation



Source: Colin Carnall (1990)

McKinsey's 7 S Framework



Strategy: the plan to maintain & build competitive advantage over the competition.

Structure: the way the organization is structured and who reports to whom.

Systems: the daily activities & procedures that employees engage in to do their jobs.

Shared Values: called "superordinate goals" when the model was first developed, the core values of the company evidenced in the corporate culture and the general work ethic.

Style: the style of leadership adopted.

Staff: the employees and their general capabilities.

Skills: the actual skills and competencies of the employees working for the company.

Stakeholders

Stakeholders in the change process

During any change process there will be a number of different stakeholders, some direct some indirect :-

- Shareholders, Trustees
- Employees
 - Directors and Senior management
 - Middle management
 - Hourly paid employees
- Trade Unions
- Local Authorities
- Customers, the Supply chain
- Local community

Leadership for Change

Leadership for change

- Recognising the need for change
- Creating the Vision, the “future state”
- Justify the need for change
- Establish a change agenda, open transparent communication
- Defining the direction, developing the strategy
- Creating the right environment, build the climate for change
- Developing the capability for change, the team, resources
- Raise energy levels, setting & maintaining standards, managing by facts
- Support, mentoring, coaching, reassurance
- Executing the plan, achieving planned outcomes

Resistance and Barriers to Change

Resistance and Barriers to change

It is essential to identify the barriers to change in order to decide what levers and mechanisms of change are likely to be useful.

McKay (1997) uses the biological analogy suggesting that:

“resistance to change activates the antibodies in the corporate immune system resulting in vigorous reactions to any changes from the old ways of doing things - especially when the new ways are not congruent with the policies, truths and ethical rules of behaviour that evolved from the beginning of the organisations life”

“The devil you know is better than the one you don’t!”

- Open resistance is difficult but always easier to deal with
- Passive resistance is less obvious, difficult to uncover and deal with
- In order to manage resistance and reduce it, you have to know what it is before you can change it.

Resistance to change

- Greiner (1972) talks about “Habit Structures” which inhibit change, the formal structures and operating mechanisms of the organisation such as:
 - Reward systems
 - Control systems
 - Communication systems
 - Development systems eg. Selection, training, manpower
 - Physical systems eg. Location, assembly lines, offices
- Brown (1995) suggests that the most common sources of individual resistance to change are:
 - Selective perception
 - Habit
 - Security
 - Economic
 - Status and Esteem
- The culture of the organisation plays a major role in any change process

Styles of Managing Change

Styles of Managing Change

Style	Means/Context	Benefits	Problems	Circumstances of effectiveness
Education and communication	Mutual trust/ respect. Small group briefings	Overcoming lack of (or mis) information	Time consuming. Direction or progress may be unclear.	) Incremental) change or) global change) with long) time horizon
Participation	Small group/ task force involvement	Increasing ownership of a decision or process May improve quality of decision	Time consuming Solutions/ outcome within existing paradigm	
Intervention	Change agent retains co-ordination/ control, delegates aspects of change.	Process is guided/ controlled but involvement takes place.	Risk of perceived manipulation.	Incremental or non-crisis global change.
Coercion/edict	Exploit power through edict or imposition of change	May be successful in crises or states of confusion.	Least successful unless crisis.	Crisis, rapid global change or change in established autocratic cultures.

Skills and traits needed for change management

Skills and traits needed for change management

1. Leadership and commitment
2. Vision of the future state, ability to define clear objectives
3. Ability to plan and execute
4. Courage and determination
5. Interpersonal skills, Empathy, Engagement
6. Tenacity and persistence (thick skin)
7. Convincing, persuasive, negotiating skills (marketing and selling)
8. Tolerance for ambiguity
9. Flexibility, responsiveness, adaptability
10. Patience, resilience

Key elements of the change process

Key elements of the change process

- Leadership, a change Agent
- Recognising the current state
 - where you are now, data, evaluation, quantification
 - what needs to change and why
- A definition of what the future state looks like
 - clearly defined objectives that need to be achieved
 - justification
 - measurables
- Establishing the “Need for change”, a catalyst for change.....a crisis !
- The Plan – clear, well structured, but needs to be flexible, with contingencies
- Communication – explanation, reasoning, rationale, reinforcement, reassurance
- Barriers to change, denial, resistance, negative reaction, fear, concern
- Regular monitor and review, stay on track, change direction if necessary

Change, change and yet more change

Change is a massive topic with so many aspects

Impossible to cover in a few hours, I hope that I have given you some insight, some food for thought

Success in any organisation or for you as individuals is about change and the ability to accept, manage and influence change

As future leaders you need to understand change, embrace it and champion it, we live in a

- Changing world
- Changing markets
- Changing competitive environment
- Changing customer demands and expectations
- Changes in the way we need to function
- Changes in the way we lead our lives and run our organisations

Recommended reading

Who Moved my Cheese (by Dr Spencer Johnson M.D.)

- Highlights many of the realities and truths about change in your life
- About two mice, two “little people” some cheese and a maze
- Cheese is a metaphor for what you want to have in life:
 - Good job, health, spiritual peace of mind
- The maze is where you look for what you want:
 - The organisation you work for, your family, your community
- Amusing and enlightening and will show you how to:
 - Anticipate change
 - Adapt to change quickly
 - Enjoy change
 - Be ready to change quickly, again and again

Evolution and Revolution as Organisation Grow

Evolution and Revolution as Organizations Grow

Larry E. Greiner

Mainiero, L. and Tromley, C. *Developing Managerial Skills in Organizational Behavior: Exercises, Cases, and Readings* (Englewood Cliffs, NJ: Prentice Hall) (2d ed. 1994), pp. 322-329.

<https://hbr.org/1998/05/evolution-and-revolution-as-organizations-grow>

“Its not the strongest of the
species that survive nor the
most intelligent but the
ones most responsive
to Change”

Charles Darwin

Those that couldn't change



"The picture's pretty bleak, gentlemen. ... The world's climates are changing, the mammals are taking over, and we all have a brain about the size of a walnut."

Thank You