

Understanding the management of change

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ORGANISATIONAL CHANGE

- Change is ever-present.

“The process of continually renewing an organisation’s direction, structure, and capabilities to serve the ever-changing needs of external and internal customers” (Fincham and Rhodes, 2005).

- Whilst change management is a process, it shouldn’t be limited to one-off events, rather a process the organisation is always going through.

Organisational change

Change, by its very nature, is an ever-present element that affects all organisations. Indeed the role of management always involves defining what changes need to be made and seeing that those changes take place. Even when the overall aim is stability, often there are still change goals: to reduce variability, cut costs, reduce the time required, or reduce turnover, for example. As Rees and French (2016) identify, management is essentially an intervention for controlling operational performance outcomes in line with an organisation's purpose and objectives.

So what characterises change management? Change management has been defined by Moran and Brightman (2001) as: ‘the process of continually renewing an organisation’s direction, structure, and capabilities to serve the ever-changing needs of external and internal customers’. Fincham and Rhodes (2005) define change management as ‘the leadership and direction of the process of organisational transformation – especially with regard to human aspects and overcoming resistance to change’.

What is suggested by these definitions is that change management is a response to large external or internal issues that have an impact on people management, strategy and overall organisational performance. Importantly, however Schaffer (2017) suggests that change shouldn’t be limited in this way and suggests that in identifying the changes to be made (both large and small), constant improvement can become the norm, lessons

can learnt and the organisation perpetually evolves. 'Change never occurs as some sort of one-off dramatic event; it becomes part of everyday, organisational life' (Schaffer, 2017).

DRIVERS OF CHANGE

External:

- growth opportunities, especially new markets
- economic downturns and challenging trading conditions
- technological developments
- competitive pressures, including new entrants, mergers and acquisitions

Drivers of change

There are many drivers of organisational change. These fall into external and Internal drivers:

External

growth opportunities, especially new markets

economic downturns and challenging trading conditions

technological developments

competitive pressures, including new entrants, mergers and acquisitions

Many organisations are in flux: changing their focus, expanding or contracting their activities and rethinking their relationships with suppliers, their products, and services. This is particularly so during times of significant uncertainty, for example following the vote by the UK to leave the EU. (CIPD, 2019). In the wake of financial pressures, corporate scandals and greater public scrutiny, organisations are developing a more balanced view of their stakeholders, and taking account of a greater range of considerations (beyond financial) in making decisions.

DRIVERS OF CHANGE

Internal:

- learning new organisation behaviours and skills
- Implementing new technology
- Introducing innovation in working practices e.g. Agile working
- Growth and taking on new employees

Drivers of change

Internal

learning new organisation behaviours and skills

Implementing new technology

Introducing innovation in working practices e.g. Agile working

Growth and taking on new employees

Internal pressures, such as how emerging technology is driving new forms of employment relationship and fundamentally changing the way businesses operate, present a need to change working practices (CIPD, 2019). So too, can the introduction of flexible working patterns such as home working which can be hugely challenging to employees. Unless managed properly the organisation may find itself unable to compete and be faced with unhappy employees.

ORGANISATIONAL FACTORS THAT ENABLE/HINDER CHANGE

Enablers of change:

- Organisational Development (OD) - Applying behavioural science knowledge and practice, such as leadership, group dynamics and work design ensures that people practices are developed in a way to enhance change management (CIPD, 2020).

Enablers of change

There is an approach to improving organisational performance through managing change called organisational development (OD). OD looks at appropriate solutions to the 'softer' aspects of change. CIPD (2020) define OD as the practice of adapting, improving and evolving an organisation so that it can grow or advance, improve its performance and achieve its goals. OD is a kind of planned, ongoing, systematic change that aims to institutionalise continual improvement within organisations. Applying behavioural science knowledge and practice, such as leadership, group dynamics and work design ensures that people practices are developed in a way to enhance change management (CIPD, 2020).

Leadership is another enabler of change. It has been recognised by authors such as Weymes (2003) that leaders should have certain skills and competencies such as integrity, motivation, drive, emotional intelligence, self-confidence, intelligence and knowledge of the business. Similarly, Kotter (1995) emphasizes the issues of empowering and developing a sense of urgency to facilitate the change process including the commitment of employees. Without strong leadership change management programmes cannot succeed. As Gilley et al (2009) suggest; if change is a process of taking an organisation on a journey and dealing with all the problems that arise along the journey, then change is about leadership.

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ORGANISATIONAL FACTORS THAT ENABLE/HINDER CHANGE

Hinderer of change:

- Over management.
- Poor project management skills/tools/approach.

The use of established project management techniques will undoubtedly assist those conducting complicated organisational change projects. However, in themselves project management tools are not always effective with situations where there are different interpretations of what should be done, or major conflicts of interest over the proposed solution (Boddy and MacBeth, 2000). As well as this the CIPD (2019) suggest that the lack of effective project management can lead to slipped timings and not achieving desired outcomes. Some of this comes from insufficient relevant training, the change initiatives being over-managed, with too much energy spent on project management and too little on enacting change.

ORGANISATIONAL FACTORS THAT ENABLE/HINDER CHANGE

Hinderer of change:

- The human element – the reaction process.
- Resistance to change (to *content* of change, to the *process* of change).

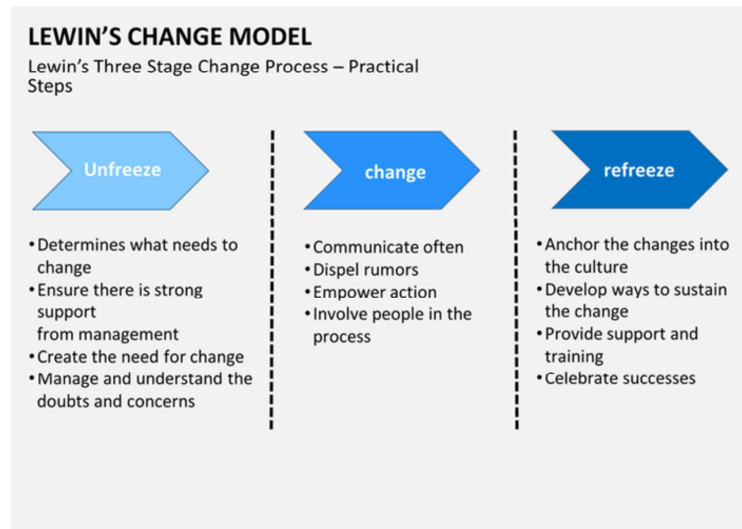
Human elements and individuals who resistance to change, have a clear impact on any change programme. Individuals go through a reaction process when they are personally confronted with major organisational change (Scott and Jaffe, 1988). This process consists of four phases: initial denial, resistance, gradual exploration, and eventual commitment.

The CIPD (2019) see resistance as an individual or group engaging in acts to block or disrupt an attempt to introduce change. Importantly, not all resistance is necessarily negative, as it may be a clear signal that the change initiative requires rethinking or reframing. Resistance itself can take many different forms from subtle undermining of change initiatives and withholding of information to active resistance, such as through strikes. Broadly there are two types of resistance.

Resistance to the content of change, for example to a specific change in technology, or to the introduction of a particular reward system. Resistance to the process of change concerns the way a change is introduced rather than the object of change in itself. For example, management re-structure of jobs without prior consultation of affected employees. Reasons for resistance in this instance includes: loss of control, shock of the new, uncertainty, inconvenience, threat to status and competence fears (CIPD, 2019).

An explanation of 2 change theories/models

Lewin's three-phase
change model:



Lewin's three-phase change model

One of the earliest known models applied to managing change is a three-phase model by Lewin (1951) which emphasises psychological aspects of changing behaviours during a period of change:

- 1 Unfreezing - lowering resistance to change by recognising and accepting the need for change.
- 2 Movement - developing new attitudes to encourage behaviours necessary for change to occur.
- 3 Refreezing - stabilising, supporting and reinforcing the new change conditions.

Lewin's three-step model suggests that within all organisations there is a tendency to maintain its equilibrium in response to disrupting changes i.e. there is a natural tendency to adjust back to the original steady state. Lewin (1951) argued that a new state of equilibrium has to be intentionally moved towards, and then strongly established, so that a change will 'stick'.

Lewin's ideas are valuable when analysing the change process at the start of an initiative. Cameron and Green (2004) suggest the force field analysis and current state/end state discussions are extremely useful tools, but add a proviso in that the model 'loses its worth when it is confused with the mechanistic approach, and the three steps become plan, implement, review'.

An explanation of 2 change theories/models



Kotter's eight-stage change model

Kotter (1996) described an eight-stage change process for managing change in large organisations following his research into US organisations who had failed to manage change effectively. The 8 stage model addresses the issues of power within influencing change, highlights the importance of individuals feeling the need to change and emphasises the importance of on-going communication throughout the process of change.

Cameron and Green (2004) suggest that Kotter's eight steps are an excellent starting point for those interested in making large or small-scale organisational change. This is because the model places most emphasis on getting the early steps right: building coalition and setting the vision rather than later steps of empowerment and consolidation. However they also stress that change is seen as linear rather than cyclical, with the implication that plans rarely change and that all eventualities can be planned for.

POSITIVE WORK RELATIONSHIP SUPPORT CHANGE

- Change will effect how people work, who they work with.
- The power of relationships is the difference between winning and losing.
- Shared feelings of commitment must be fostered.
- Create a family-like, supportive culture.
- Employee contributions are important.

How positive work relationships can support change processes and how these can be built and maintained

The process of implementation matters as much as the content or substance of the change (Boddy and MacBeth (2000). Changes that affect how people work, who they work with, their status, interests and future prospects are inherently different from change that is purely an isolated change in process. In this context, organisations need to introduce and manage effectively, the people elements of change, in order to achieve organisational objectives and to maintain the commitment of their people, both during and after implementation (CIPD, 2019). Central to this is how positive work relationships are managed.

Weymes (2002) identified that organisations are learning that the difference between winning and losing can be attributed to the power of relationships and not the strategy or associated systems and processes.

A shared feeling of commitment and shared purpose must be fostered by leaders. Shin et al, (2012) suggest organisations need to encourage managers to build mutual trust and strong, stable exchange relationships with their employees during times of organisational change. Trust and personal responsibility in all relationships is a value employees at IBM felt was needed as they went through change (Palmisano, 2004). The CIPD (2020) suggest this could be achieved by establishing a supportive, family-like

organisational culture and clearly communicating the expected level of employee contributions.

COMMUNICATION NEEDS TO BRING ABOUT CHANGE



COMMUNICATIONS

- Carry out a stakeholder analysis.
- *"Manage closely," "Keep satisfied," "Keep informed," or "Monitor".*
- Poor communication leads to resistance.
- *Create open and honest communication channels.*
- Must have a strategy for communications.

The different communication needs and types of support that might be required by different stakeholder groups

There are a number of stakeholders that can be affected by a change management process. Business partners, suppliers and those in the supply chain, customers and of course employees. Initially the process would start with a stakeholder analysis which is a formal method for identifying, prioritising and understanding stakeholders. Lewis et al (2001) suggest that a plan needs to be made with the communication options being "Manage closely," "Keep satisfied," "Keep informed," or "Monitor". They suggest working with most important stakeholders first, and the less crucial ones later.

Poor communication can be linked to an inability to implement effective change in various ways. For employees, imposed change can lead to greater employee resistance (CIPD, 2019). Kotter (2006) suggests that without credible communication, and a lot of it, the hearts and minds of the troops are never captured. He states that "transformation is impossible unless tens, hundreds or thousands of people are willing to help, often to the point of making short-term sacrifices. Employees will not make sacrifices, even if they are unhappy with the status quo, unless they believe that useful change is possible". Walker et al. (2007) argue that change managers have to prepare employees for change via open and honest communication.

Klein (2006) carried out research into communications during change and suggested a

specific communication strategy was required. Research suggested that:

Message redundancy is related to message retention.

The use of several media is more effective than the use of just one.

Face-to-face communication is a preferred medium.

The line hierarchy is the most effective organisationally sanctioned communication channel.

Direct supervision is the expected and most effective source of organizationally sanctioned information.

Opinion leaders are effective changers of attitudes and opinions.

Personally relevant information is better retained than abstract, unfamiliar or general information.

FACTORS WHEN PLANNING FOR CHANGE

1. Agree the implementation strategy
2. Agree timeframes
3. Draw up detailed implementation plans
4. Set up a team of change champions
5. Establish good programme management practices
6. Communicate clearly
7. Ensure participation and help to minimise stress
8. Personalise the case for change
9. Be prepared for conflict and manage it effectively
10. Motivate your employees
11. Develop skills
12. Maintain momentum
13. Monitor and evaluate

DICE

Duration
Integrity
Commitment
Effort

Source: BCG.

Factors you would consider when planning for change and what a change plan looks like

Before embarking on a programme of change there must be a clear strategy in place that is based on the objectives which have already been set. The details of the change will depend on the desired outcomes and on the approach to be taken, whether this is to be top-down, bottom-up, or a mix of both. This may include organisational change, departmental or a certain team and will influence which approach to take and how communication channels will work.

A plan needs to be in place. This strategy document must be consistent with those of other organisational initiatives. Using the strategic goals of the organisation as a starting point, identification of a new supportive and goal-consistent culture in terms of beliefs and behaviours must be established (CIPD, 2019). The plan should cover the following points as suggested by the CMI (2014):

1. Agree the implementation strategy
2. Agree timeframes
3. Draw up detailed implementation plans
4. Set up a team of change champions
5. Establish good programme management practices
6. Communicate clearly
7. Ensure participation and help to minimise stress

8. Personalise the case for change
9. Be prepared for conflict and manage it effectively
10. Motivate your employees
11. Develop skills
12. Maintain momentum
13. Monitor and evaluate

Also should consider the DICE model - DICE—Duration, Integrity, Commitment, Effort—is a simplified statistical formula that predicts whether a change program will succeed or fail and how to adjust accordingly. It was created by The Boston Consulting Group (BCG) .

FACTORS WHEN PLANNING FOR CHANGE

- Build understanding.
- Use stories and narratives.
- Engage employees with the use of pictures and metaphors.

Factors you would consider when planning for change and what a change plan looks like

Techniques for building understanding - Transformation can be facilitated if a change vision is ambitious yet also presented in ambiguous terms, with the deliberate intention to encourage individuals to actively question and attempt to make sense of their situation (CIPD, 2009).

Narratives and stories can be used as devices to make the content and implications of new strategies easier to understand, enhancing individuals' ability to translate change into meaningful actions for themselves. Organisation development work provides useful structure and guidance for conversations, and considers the role of self too as an important part of the change process (CIPD, 2009).

Use of objects, metaphors, symbols and pictures - maybe as part of playful design as an alternative to traditional and often rather dry change workshops - helps to engage individuals and to enable them to translate change rhetoric into meaningful change-related actions (CIPD, 2009).

EVALUATION OF 2 TECHNIQUES FOR MONITORING CHANGE

FEEDBACK

- Context dependant
- Self-determined
- The system chooses what to notice
- Information accepted from anywhere
- System creates own meaning
- Newness, surprise are essential
- Focus on adaptability and growth
- Meaning evolves
- System co-adapts

MEASUREMENT

- Context dependant
- Self-determined
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Wheatley and Kellner-Rogers (1999)



An evaluation of at least 2 techniques for monitoring change processes and assessing the impact of change.

How do you know whether the change process you are involved in is working or not, or whether you would be more successful if you were leading it in different ways, with a different style or with different activities? Cameron and Green (2000) suggest that depending on what the way the organisation's culture works, the monitoring and evaluation of change will give different answers about what is working, what the issues are, and what needs to be done next.

Clearly the initial change plan will have highlighted milestones, goals and objectives. These need to be regularly monitored and evaluated against. Questions will arise during this monitoring. The CIPD (2019) suggest these include are these goals still appropriate or do they need to be revised in the light of experience? Existing performance measures may not be compatible with the changes being introduced and may hinder change unless they are revised.

On-going and final evaluation measures need to be consistent with organisational vision and goals, and if not, they may need to be re-designed. The CIPD (2020) also suggest honesty; if there is a real divergence between the planned goals and reality, admit this and take corrective action without delay. Be open about failure and involve employees in setting new targets.

Wheatley and Kellner-Rogers (1999) suggests there are two approaches for assessing change, gathering feedback and measuring results. These are summarised in Table 1.

ASSESSING THE IMPACT OF CHANGE

- Use feedback and measurement. Both have drawbacks and positives.
- Theory E - “hard” approach measures tangible returns through economic incentives, drastic layoffs, and restructuring.
- Theory O change, a “softer” approach, focuses on determining the changes in corporate culture and human capability, patiently building trust and emotional commitment.

There are clear benefits and drawbacks to using a single approach and Wheatley and Kellner-Rogers (1999) propose a combination of measurements and seeking feedback is an appropriate way of determining change success. Measurement does not capture how people have evolved, how change-ready processes are for the future. The world and the organisation may have moved on while the changes were being made, and it is possible that the objectives that seemed important at the start may be viewed differently by the end. Feedback alone however, needs to be treated carefully it can accentuate the positives and behaviours which may or may not lead to specific changes having been made.

These two approaches are in line with the Theory E and Theory O change. Theory E change emphasizes economic value, as measured only by shareholder returns. This “hard” approach measures tangible returns through economic incentives, drastic layoffs, and restructuring. Theory O change, a “softer” approach, focuses on determining the changes in corporate culture and human capability, patiently building trust and emotional commitment to the company through teamwork and communication (Beer and Nohria, 2000).

Thank you

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