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HOW TO MANAGE CHANGE



CONTENTS

- Internal/external drivers of change
- Organisational factors that can enable/hinder change processes
- Models/theories of change
- Relationship management during change
- Communication/support for employees
- Planning for change
- Best practice
- Monitoring change processes

Change is something that all organisations experience in order to grow, be more business savvy and to develop. CIPD (2018a) states that change is constant in the majority of organisations. HR and managers must manage change effectively for long-term sustainability, as the consequences of not managing changes effectively can be harmful and long-lasting. Mindtools (2019a) state that change management is a 'structured approach for ensuring that changes are thoroughly and smoothly implemented, and the lasting benefits of change are achieved.'

Carter and Varney (2018) emphasise the importance of organisations being 'agile'; they note that if organisations do not adapt to internal and external factors, there could be consequences. Therefore, organisations must be change-ready and change-capable. It is the responsibility of managers and the HR team to ensure that change is planned, implemented and monitored effectively.



INTERNAL DRIVERS OF CHANGE

- Poor technology (need to support modern ways of working)
- Cost savings (e.g. storage)
- Employee engagement (e.g. flexible working)
- Improvements to processes (i.e. time/cost savings)
- Internal stakeholder feedback / expectations
- Restructures
- Expansion / growth
- Changes in management (performance management, training and development, modernisation)

There are several factors that drive change, including both internal and external factors. Internal factors can have a significant role in initiating change within an organisation (Rees and Hall, 2016; CIPD, 2018a).

Organisational growth is often a driver of change, due to needing to change processes in order to develop the product or service offering.

In recent times, flexible working is key to an engaged and satisfied workforce. CIPD (2019) notes that those with a flexible-working option are more satisfied, committed and increase their discretionary effort, and it attracts new talent. Therefore, organisations are changing policies and processes to allow flexible-working opportunities, so managers and HR must manage this change.

Another main driver of change is for improvements to processes; this can lead to time and cost savings. CIPD (2018a) note that emerging technology is changing the way businesses operate; arguably, technology is an external driver of change but the business often decides to modernise to reduce time spent on administration tasks and to save on costs. For example, an organisation could implement a new HR system which means they are almost paperless.



EXTERNAL DRIVERS OF CHANGE

- Customer feedback / trends
- Government changes (e.g. grants / policies / laws)
- Economic climate
- Other PESTLE factors
- Supplier needs
- Competitor pressures

There are many external factors which can cause an organisation to change its processes or current setup. Rees and Hall (2016) note that external factors usually fall into the PESTLE classification (political, economic, social, technological, legal or environmental factors.)

Customer feedback and trends can impact the business operation; for example, customers often prefer to purchase products online. This could lead an organisation to make changes in its offering, which could result in redundancies and automation. Forbes (2019) suggests that customers wanting products to arrive at the earliest convenience is one of the biggest drivers of change. Therefore, retailers must adapt their service so that they can be sustainable.

Government changes can also affect the operation of an organisation which results in change. This could be a change in law, policy or grants. A recent change is the implementation of GDPR; it brought significant change in organisational culture and the process of handling data (CIPD, 2018b). Other laws that have driven change in the past relate to employment law, consumer law and Health and Safety law.

Competitor pressures can also lead to changes within the workplace. As organisations

seek to be competitive, they often look to their competitors to see what strategies are being implemented.

Therefore, organisations must keep up-to-date with external factors that could affect their competitiveness. Any changes must be managed carefully to maintain commitment from employees throughout the change process.

ENABLERS / HINDERANCES OF CHANGE

Enablers	Hinderances
Positive employees / managers	Negative employees / managers
Good communication	Poor communication
Equipping people with skills	Not equipping people with skills
Change management plan	No change management plan
Increase benefits in other areas	No added benefits
Technology to help implement change	Negative past experiences
	Trade union involvement

When change is happening within an organisation, there are several factors which can either enable or hinder its implementation and success. CIPD (2018a) identifies several factors that hinder change. There can be organisational issues and therefore organisations must ensure that the change aligns with organisational strategy and culture. If the change is not managed well there can be delays and under-delivery of the project.

Communication is key in delivering change; if there is a lack of communication employees can feel stressed, unequipped and confused as to why the change is happening. If there is good communication via consultative groups and progress bulletins, employees will feel more involved and will understand the need for change (Frahm and Brown, 2005). Organisations should therefore create communication channels and equip employees and managers with the skills needed to deal with the change.

Another main factor of change is resistance (CIPD, 2018a). This can be resistance to the change itself or resistance to the process of change. Sometimes this is opposed by a few individuals, but in other instances it could be opposed by a group of employees which could lead to strike action. Therefore, organisations must manage

this resistance well by focusing on the positives, making employees understand the need for change, providing them with skills, and increasing other employee benefits. Marris (2017) analyses the approach used by Cadbury; she notes that employees need to understand the benefits of the change, goals need to be set to encourage high performance, and the senior leadership team needs to act as a role model to align them together. Another enabler of change identified within Cadbury was good communication, belief in employees and continuously moving forward.

It is therefore important for organisations to anticipate potential hinderances to change and manage the change project well with an effective change management plan in place.

LEWIN (1950S)

Change management stages:

- Stage 1 – Unfreezing
- Stage 2 – Movement
- Stage 3 – Refreezing

Force-field Analysis

Linked to the DREC model:



Change management is a topic that has been researched and developed for many decades. One of the first models was developed by Lewin (1951) who decided upon three stages for managing change. Unfreezing is the stage when change is looming and employees' emotions are high. The movement stage is the second part of the change process, when the change is implemented and therefore it must be managed well by HR and managers. The third stage is refreezing; this is to ensure employees are fully on-board with the changes and do not refer back to the previous ways. To be able to analyse change, Lewin created a tool called force field analysis; this is the process for encouraging the driving factors of change and discouraging the restraining forces. This can be linked to other models, such as the DREC model (Kew and Stredwick, 2016).



KOTTER (1996)

1. Establish urgency
2. Create a powerful team
3. Develop a vision and strategy
4. Communicate the vision
5. Empower employees
6. Generate short-term wins
7. Consolidate gains to build momentum
8. Ensure changes stick

Another major change model was created by Kotter in 1996 (Mindtools, 2019b). He identified that when implementing change there are eight stages to complete in order for the change to be effective. The organisation should establish a sense of urgency to spark motivation. They should then create a guiding team which would consist of leaders, experts and stakeholders who would be 'change champions.' They should develop a vision that paints an inspiring picture and represents the values of the organisation, and communicate that vision. It is also important to empower employees to act; for example, removing obstacles, delegating tasks so they feel involved, and recognising and rewarding those who are on-board. The organisation should generate short-term wins so employees can see instant benefits, and should consolidate gains to build more momentum. Finally, organisations should sustain the change by institutionalising the new approaches.

Therefore, managers should ensure these models are used when planning and implementing change. It is important to understand the changes in emotion employees go through during the change process and the most effective ways of overcoming barriers.



POSITIVE WORK RELATIONSHIPS

- Negotiation
- Social interaction
- Build trust
- Understand stakeholder needs
- Reduce conflict
- Build and maintain throughout process
- Accept resistance
- Use employee voice
- Anticipate emotions
- Maintain energy and momentum

For change processes to be successful, there needs to be positive relationships between the stakeholders. When implementing change, it is better to use negotiation and social interaction with employees, rather than through authority and control (CIPD, 2018a). Therefore, it is important for change leaders to build trust so that significant change can prosper. Communication is a large part of building trust, as employees appreciate being made aware of the change and being given updates in the process. CIPD (2018a) suggest that trust can be built from managers displaying their competence in managing change effectively, and their commitment to understanding the needs of different stakeholders. This can then lead to the acceptance of change and a reduction in resistance and conflict.

Relationships then need to be built and maintained throughout the whole change process. CIPD (2018a) identifies the need to accept resistance and to use employee voice as a way of reforming the change. Managers and change leaders should anticipate the emotions involved in the change process and be aware of the different stages employees go through; from denial and anger through to bargaining, depression and finally acceptance (Kubler-Ross, 1969). Therefore, support should be offered at each stage of the process; whether that be through training and skills - sharing, or through emotional support through wellbeing initiatives and

communication.



THE FOUR PRINCIPLES OF HUMAN CHANGE

The four Es:

- Educate
- Engage
- Empower
- Enable

(Geraghty, 2019)

The success of a change programme often lies with how stakeholders react to change, it is therefore important to be aware of their needs in terms of communication and support. This is often the responsibility of the manager. Geraghty (2019) came up with a model that identified the four principles of human change; the four Es. Therefore, managers need to provide employees with an understanding and rationale behind the change, and help them learn and understand whilst being positive about the vision of the future. Managers need to engage individuals so that they buy-in, through tapping into their emotional and logical thoughts. Employees thrive when they are empowered to take ownership and responsibility for delivering change. This involves managers using delegation, trust, and setting appropriate boundaries and expectations. Managers of change should also enable people to act through equipping them with the right skills and removing any barriers; this helps to build their confidence in creating solutions and moving forward to sustain the change.

COMMUNICATION PLAN

Stakeholder	Communication Needs	Degree of Impact	Preferred Communication Vehicle	Frequency of Communication	Delivered By

SHRM (2019)

A communication strategy should be created when planning and implementing change, this will identify key messages, delivery channels, frequency and the audience (SHRM, 2019).

SUPPORTING EMPLOYEES DURING CHANGE

Communication	Support
Communicate from the start	The four Es
Top-down communication	Advice and counselling
Bottom-up communication	Training
Use technology	Coaching and mentoring
Share success stories	Representation
Adapt communication to individuals	Mentoring / role models

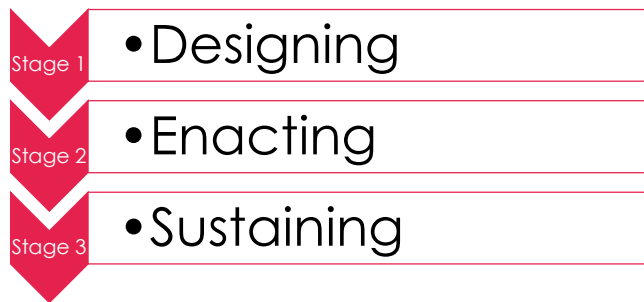
Internal communications should be managed with empathy (CIPD, 2013). It is suggested that the organisational goals and the process of reaching that destination is communicated from the start. This results in employees having clarity and all stakeholders can understand how they can support the journey. It is stated that leadership is key to the successful implementation of change, so that all stakeholders are consistent in their understanding of the change. CIPD (2013) also identifies the need to involve employees prior to the change being announced, to empower them and identify any suggestions which could strengthen the process; this is known as bottom-up communication. CIPD (2015) acknowledged that communication should be repeated, consistent information from the top, and suggested that organisations communicate success stories to bring employees on-board.

Basford and Schaninger (2016) noted that in recent times it is beneficial to use technology to help communicate. Social media now plays an important role in communicating with stakeholders, so this can be used to tailor communications. It is also noted within the report that communications need to be relevant to individuals, and have purpose and meaning; this draws their attention to the communication instead of them ignoring it and misunderstanding its relevance and importance. Success stories can also be shared using technology, for example on the

organisation's intranet or providing e-learning and certificates. Therefore, technology can be a useful communicating tool when delivering change.

As well as communicating with employees, it is important to support them through each stage of the change process. ACAS (2014) advises employers on how they can support employees; when change is announced it can lead to anxiety and fear so advice and counselling should be offered. When changes begin, it is important to offer resources, training and coaching to equip staff with the skills and confidence needed. A working group should be set up so that employees are represented fairly and solutions can be found to any problems, some employees could become mentors and role models for those who are struggling to accept the change.

THREE PHASES OF CHANGE MANAGEMENT



When planning for change there are different factors to consider, which can be broken down into the three main phases of change management, identified by SHRM (2015); these are designing, enacting and sustaining.



STAGE 1: DESIGNING

Conduct a current state assessment

Design change for the future, not for the present

Create prioritised, actionable and realistic goals

The first stage, designing, involves conducting a current state assessment, the change design team should have a solid understanding of organisational capabilities to make sure the changes are realistic. HR can input into this stage by providing data on capabilities and resources. The external environment is ever-changing; therefore, the change design team must plan for the future, not the present. The goals set must be prioritised, actionable and realistic so all stakeholders know the end destination and can then work out how to get there; therefore, there should be an overall vision formed and communicated.



STAGE 2: ENACTING

Prioritize expertise over availability when selecting members of the change team.

Secure a senior-level change champion

Identify and engage key stakeholders

Use project management best practices

Monitor the environment for changes and align with other initiatives

When implementing change, leaders should consider who has the relevant expertise to make the change a success, rather than choosing someone based on their availability or desire to develop. Although change champions should exist throughout all levels of an organisation, it is important to have someone of senior authority to champion the idea; this will gain momentum and HR can help identify an appropriate person. Key stakeholders should be identified and leaders should engage them so that they provide valuable expertise and ideas; this can include employees, managers and external stakeholders such as customers. Within a change team there should be a project manager as well as an overall team leader, this helps encourage meeting deadlines whilst also gaining commitment and engagement from the rest of the team. Due to the external environment constantly changing, factors should be monitored during the change process and any adjustments should be made. This also involves monitoring internal factors such as conflicts and overlaps in initiatives.



STAGE 3: SUSTAINING

- Track the impact of the change and engagement of stakeholders
- Find opportunities to tell the pre-change story
- Look for evidence that the initiative does not fit the new situation
- Keep working to translate the overall design goal into local behaviors
- Monitor the environment for changes and align with other initiatives

The final phase of change management identified by SHRM (2015) is sustaining; this involves adapting to the internal and external environment and is often the responsibility of HR to ensure systems are still aligned and aims are being met. The impact of the change and engagement of stakeholders should be tracked; HR can do this via an annual employee survey. If this is not monitored, managers may assume success or failure of the change. HR can also remind employees and inform new starters of the situation before the change, drawing on the positive outcomes and success stories. Although it is important to relay the successes of the change, it is more important to identify difficulties; otherwise, the same mistakes can happen again and lessons are not learnt. Change managers should also be aware of the differences among departments, so should translate change goals into behaviours that will fit each routine within a normal working day.

To conclude, all three phases involved in change management are equally as important. It is imperative that HR and change managers follow the appropriate steps and consider all factors.

CHANGE PLANS



The content of these three phases, along with using the research by Kotter (Mindtools, 2019b) and other sources can form a change plan. A change plan can be used by organisations to ensure that the change management process is designed, implemented and monitored effectively in order to make it a success.



BEST PRACTICE – ACTION CHECKLIST

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 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

CMI (2014)

In summary, there are aspects of change management that should always be adhered to when trying to operate using best practice. CMI (2014) identifies the steps within the implementation process, and this forms a checklist that organisations can use. One of the most important points is the communication between stakeholders, as the vision and benefits need to be communicated in order for everyone to accept the change and help deliver the goals. It is also extremely important to continuously monitor the change activity and impact, making adjustments when required.

MONITORING AND ASSESSING CHANGE



APM, 2017

The final part of the change process is monitoring and assessing the effectiveness of the change and identifying learnings and successes. There are several areas of the process that should be measured, as identified by APM (2017). These are the nature of the change, context of the change, stakeholder perspectives, time perspective, measurability of change, and measurement methods and approaches. APM (2017) notes that a change initiative can be measured based on outputs produced, outcomes achieved, and benefits realised. The change management process should also be evaluated to improve in the future. There are two different types of data that can be collected; qualitative and quantitative. By using these two methods of data collection an organisation can get an overall image of how successful the change management project was.



TYPES OF DATA

Qualitative data (e.g. surveys, interviews, focus groups)

Qualitative data (e.g. data analysis, closed questions, scoring)

Prosci (2019) suggests that impact can be monitored and assessed based on different categories; organisational performance, individual performance, and change management performance. An example of data collection is employee engagement surveys. Questions can be tailored to get direct answers regarding the change, or they could compare overall engagement with previous years to see if the change has had an impact. The surveys can feature both qualitative and quantitative data by using both open and closed questions. For example, the survey could ask how the employee feels about the effectiveness of communication within the workplace. The results from an engagement survey are key to understanding both the impact of the change itself, and also the change management process. Without employees being on board with the change it could lead to a failure. APM (2017) suggests other qualitative measures such as focus groups, interviews, observations and questioning techniques.

They also suggest a variety of quantitative methods; this is often taken from data from electronic or manual sources. Examples of data can be KPIs for individuals and teams, as well as the impact on performance, output, revenue and profit. For example, if a change was implemented with the goal of improving the absence rate (e.g. introducing a wellbeing programme), quantitative data could be collected by

conducting an absence analysis and by studying return to work interviews.

Therefore, both qualitative and quantitative can be used for measuring the success of a change programme.



CONCLUSION

- Kotter's 8-stages
- The Four Es
- SHRM's three phases (designing, enacting, sustaining)
- Communicate and support
- Monitor and evaluate

In conclusion, organisations should prepare for change by implementing an effective change plan. They should focus on Kotter's eight-step change model (Mindtools, 2019b) and use the four Es (Geraghty, 2019) to implement the plan effectively. Employees should be communicated with throughout the whole process and should be supported through training and counselling. By following the three phases of change management (SHRM, 2015), an organisation should effectively design, implement and sustain the desired change. The whole process should then be monitored so that learnings can be identified to make changes for the future.



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