

CIPD Diploma in Applied Human Resources



Understanding the Management of Change

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Objectives

What is Change Management?

External and Internal drivers of change

Factors that effect change management

Models to support change

Planning for change

Working relationships and change

Different stakeholders and change

Best practice for implementing change

Monitoring and assessing change

What is Change ?

"Change is a common thread that runs through all businesses regardless of size, industry and age. Our world is changing fast and organizations must change quickly, too. Organizations that handle change well thrive, whilst those that do not may struggle to survive"

(www.mindtools.com,2020)

"Change is a common thread that runs through all businesses regardless of size, industry and age. Our world is changing fast and organizations must change quickly, too. Organizations that handle change well thrive, whilst those that do not may struggle to survive" (www.mindtools.com,2020).

What is Change Management ?

“Change management is a structured approach to implementing change in an organization. It recognizes that change can be a painful process which can have a far-reaching impact on the organization and the people who work for it”.

(Mindtools,2020)

“No organisation can afford to stand still. There are always new challenges to meet, and better ways of doing things. However, every change you need to make should be planned and implemented with care, otherwise it could end up doing more harm than good!” (mindtools.com 2020).

Research shows that many organisations undertake major change at least every three years, with all organisations making smaller changes on a regular basis (McCarthy,2004).

High profile cases of change have been seen in the merger of companies such as Santander and its takeover Abbey national, Alliance and leister and Bradford and Bingley, which has taken place over several years (www.santander.co.uk,2020).

Change management faces both controllable and uncontrollable events. Change to a process can be controlled, an employee's reaction to the change is the uncontrollable (Wilkinson and Taylor,2016).

These factors make effective change management more than implementing a change, consideration is needed for all parties involved. Effective communication plays a determining factor in gaining buy-in and carry through of change.



Lambertson (2018) states that *“Change is inevitable and one of the main forces behind improvement, strength and progress.....change, especially in technology, can be a game-changer”*.

To understand change, Lambertson (2018) highlights the need to firstly identify why the change is taking place. Change can be the outcome of both external and internal factors within an organisation.

Externals factors for change could include things such as:

Coronavirus Pandemic

The biggest recent impact on both home and working lives has been the pandemic of coronavirus, this has seen the world adapt to lockdowns, firebreaks, many organisations closures, mass redundancies and new ways of working for 80% of employees (McKinsey,2015). Employees will see the change implications of this situation will be seen for years to come with organisations re-structures and new ways of working “which will significantly affect employee morale and wellbeing” (Nadin,2020).

Needs of stakeholders

Changing needs and demand of stake holders, such as a change in demand of services, for example, within the NHS this could be the development of the field hospitals setting, known as Nightingales, which were built to help cope with the demand of hospital admissions due to the recent global pandemic of coronavirus (Triggle,2020).

To align up with competitors

To align with an organisation's competitors and as an opportunity to increase revenue, an organisation may improve and change its way of working to ensure it does not lose customers to its rivals. For example, Iceland started its home delivery service and was shortly followed by rivals Tesco, Sainsburys and Marks and spencer and Asda joining the running to provide this service (Cope,1998).

Advancements in technology

Change and advancements in technology give opportunity for organisations to increase its IT system and ways of working, making services more streamlined, saving time and cost to an organisation (Lambertson, 2018)

Brexit

A report by the Chartered Institute of Professional Development (CIPD) in association with Workday (CIPD,2017), recently identified that the biggest driver of change in organisations is due to Economic change. In the UK, this may be due to the ongoing uncertainty of what Brexit will entail. A key change for UK employers will be new rules on employing EU citizens. Brexit imposes many changes for employer to face, one of this is that the new system creates a need for an immigration licence to employee from the EU and makes more rules available for sponsorship, this will come with a high cost and looks at higher skilled roles. Therefore, companies that rely on lower skilled workers from EU countries may face a recruitment shortage, leaving a gap in the UK Labour market (www.telegraph.co.uk,2020).



Internal factors for change could include things such as:

Flexible working & work life balance

Increase in the demand of flexible working along with the demographic of the workforce, were also highlighted within the report by the CIPD in association with Workday (CIPD,2017), as previously mentioned. The report concluded that flexible working was the second highest driver to change with demographic of the workforce as the third. The two could be said to be linked, with need of flexible working being due to caring needs of employees, which includes caring responsibilities of ill and elderly relatives, due to the aging population in the UK (CIPD,2016). There has also been a focus on the importance of work life balance as indicated by (ACAS,2014) which links to the demand of flexible working.

Development / change to a policy or process

This could be due to analytics which reveal that something is not working as it should be or highlight a potential issue (Tahir, 2019). For example, high attrition rates - development of a leavers process which has an exit questionnaire and follow up appointment with HR / management to discuss anything highlighted which may be cause for a concern.

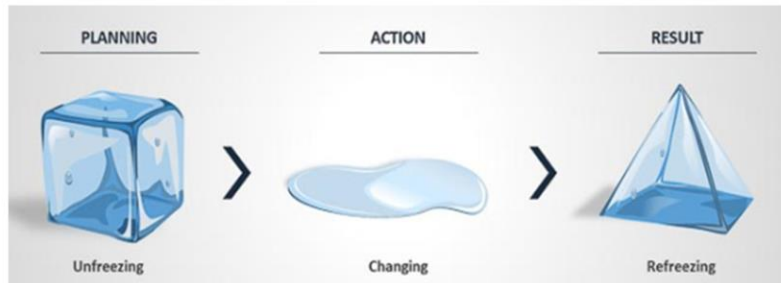
Organisational Strategy

This may see a change in ways of working, for example a new agenda to focus on environmental issues may see a change in product or services to align, which is often linked to external agendas such as the *“Green Future: Our 25 Year Plan to Improve the Environment”* (Gov.co.uk,2018) devised by the government.

New IT systems

Integration of new IT systems will see the need for training of staff and could mean a change to roles and potential redundancies (ACAS,2014).

Lewin's 3 stage Change Management Model



Mindtools.com(2020)

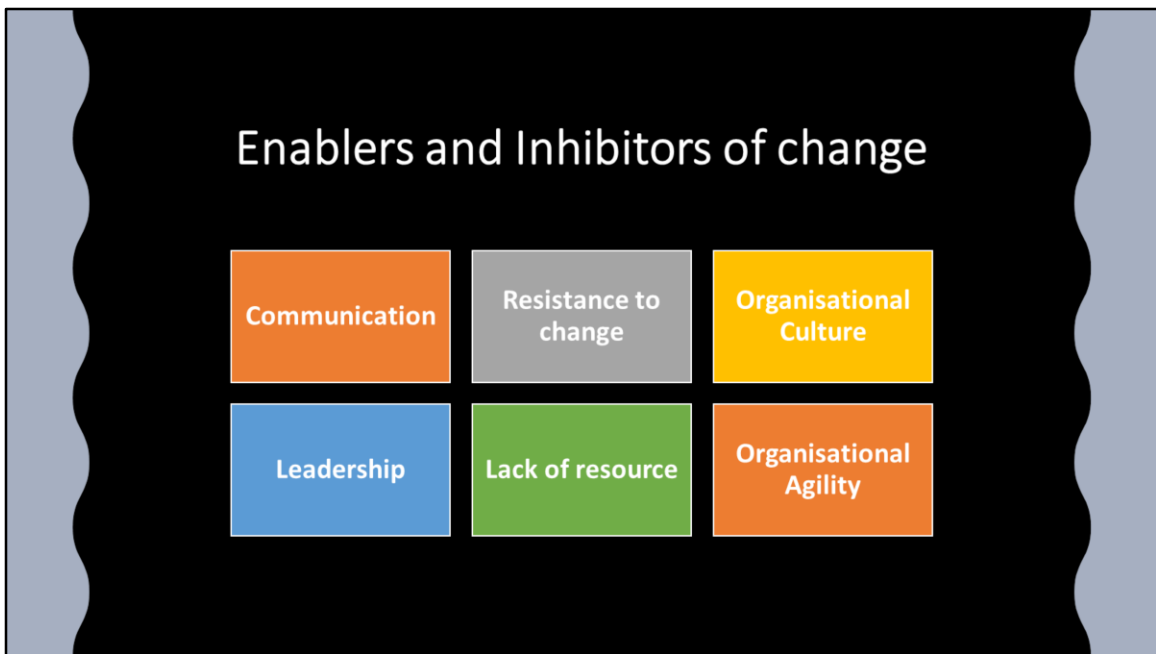
Theorists have developed different change models to explain and support change in organisations. One of these is the three-stage model developed by Kurt Lewin, dated back to the 1940's.

The model is known as the Unfreeze-Change-Refreeze, it is based on an ice cube.

The unfreezing/Planning is deciding what needs to change, how and why. At this point it would be critical to develop support from the senior management team. For example, changing an absence policy will need buy in from management to implement, information should be provided on why there is a change, in this instance, this may have come from rising absence rates.

The Changing/action or melting phase should involve clear communication to give employees the tools to execute the change, explaining how the change will affect individuals and teams, encouraging employee involvement; focusing on why change is needed.

The result or the refreeze is the final stage; feedback from employees, to develop the change would be beneficial, providing any support and training to sustain the change. Finally, the change should be embedded within the organisations culture and the change a success (www.mindtools.com,2020).



Communication and change

“Communication is concerned with the interchange of information and ideas within an organisation. Consultation goes beyond this and involves managers actively taking account of the views of employees before making a decision” (ACAS,2014).

Effective communication is a key enabler of successful change management, highlighted through various theorists’ studies. That of non-effective communication of change will be an inhibitor of any change process.

Wilkinson and Taylor (2016), highlight the importance of three types of communication:

- **Top- down**

Ideally Senior managers should personally take time to hold meetings to speak to employees.

- **Bottom-up**

This will involve discussion groups allowing employees to have input in the change.

- **Two-way**

This will be a 1-2-1 meeting between team members and their line managers to discuss direct implications to a person's role. This enables time and discretion for employees to voice any concerns they have.

Face to face meetings with employees to discuss the change have the most benefit, but communication can also be through other channels such as employee newsletters, all staff emails, key messages on staff intranet services (ACAS,2014).

It is important to remember that different stakeholders within a change plan may have different communication needs. Specifically – what information do different stakeholder's need? how will that be delivered?.

For example, a customer will need to know about the change and how this affects them, this may be a different process to follow to access the service or good they require.

A front-line employee will need to know in depth detail of the change, training may be needed – such as to run a new work system / platform. Managers will need this detailed information to support their teams on the delivery of the change.

Board members of an organisation may need an overview of the change but not necessarily the specific detail of the day-to day change.

A communication plan as part of the change project will ensure that all stakeholders are identified and communication needs met (ACAS, 2014).

Dependent on the change and its potential of legal implications, employee consultations may be a legal requirement of the change. This is usually for major change, such as redundancies.

Trade union and employee representatives, will play a pivotal role in the communication of change, passing the message to employees. In some organisations employee representatives and employees may be include directly in decision making which will help the change be the 'new normal' within the organisation, as employees will feel they have had a voice and influence in the change.

Resistance to change

Kotter (2018) highlights that *“what is most often missing is a focus on building the*

capabilities to lead change at all levels – the human side of change, where changing attitudes and behaviours of people whose commitment to the change, not just their acceptance of it, is needed”. This may be why there is a resistance of change present within an organisation.

The CIPD (2020) notes that resistance to change can be by both individual and groups of employees. Resistance can be as simple as not following the new process or more strongly in the intervention of strikes. Resistance can take place due to the change itself or due to the way the change has been communicated (or lack of communication of the change), once again identifying communication as key. *“Anticipating resistance to change is part of a successful change management strategy and will help to keep staff motivated and positive about change”* (Connelly,2020).

The 4Es principles of human change model highlights the principles of how to combat resistance and change mindsets when implementing change. The model consists of four steps, Educate, Engage, Empower and Enable. This will mean providing employees with the rationale of the change, involving employees in the change, empowering them to make decisions and giving them the skills to make the change (hrzone.com,2019).

Organisation culture and change

Katzenbach et al (2012) states that a *“strategy that is at odds with a company’s culture is doomed. Culture trumps strategy every time”.*

Often public sector organisations have a “we have always done it this way” view when change is introduced. Educating colleagues to change their mindset can be a slow process but can be accelerated by trust amongst team members and line managers (if they are on board). *“Somewhere in the waves of change, you will have to attack the sturdy silos and difficult politics, or you won’t create a twenty-first century organisation”* (Kotter,2016).

Senior management need to be aware of silos within organisations, and incidents of managers that may have such views of “we have always done it this way”, not leading by example will damage any success of change (Kotter,2016).

Organisation Agility

CIPD (2014) defines agility as the ‘ability to stay open to new directions ensuring that leaders and followers have an agile and change-ready mindset to keep moving, changing, adapting’. Therefore, the more agile an organisation, the more

responsive it will be to change (Cannon,2017).

Leadership and change

Employees need to be led through a change project, McKinsey (2015) states that *“Leaders must continually highlight progress and success to make sure the transformation is top of all minds across the organization—and to reduce the gap between what employees believe is happening and what they see”*. It has been highlighted that the more visible Senior management are within the change, for instance embracing the change themselves and role modelling the behaviour is said to make change success twice as successful (Mckinsey,2015).

Lack of Resource

“The top barrier to implementing new practices is the operational pressure that absorbs time necessary to develop and trial different ways of working” (CIPD, 2014). Implementing a change will undoubtedly take time and resource, ensuring this has been considered and time set aside for employees to learn and process is needed – without this, employees may feel pressure and frustrations and not engage fully with the change.

Kotter's 8 step model



(Adapted from Kotter, 2016)

Research by Kotter (2018) has shown that only 25% of change initiatives succeed.

Kotter has devised an 8 step model to follow when implementing change, made up of eight overlapping steps. The first three steps look at creating the climate of change. The next three steps are in relation to engaging and enabling, the last three in relation to implementing and then sustaining change (Webster, 2020).

1. **Create a sense of urgency** – Kotter (2018) points out that creating a sense of urgency that a change is needed will encourage conversations of the change, increased knowledge of why the change is needed and its benefits.
2. **Build a guiding coalition** – this convinces people that the change is needed – key leaders in the organisations should be on-board in supporting the change, Kotter (2016) states *"that for change to be successful, 75 percent of a company's management needs to "buy into" the change"*.
3. **Form a strategic vision and initiative** – a vision that is clear and shows what is trying to be achieved is easier for employees to understand
4. **Enlist a volunteer army** – this will be a large group of employees who are on-

board and willing to promote to gain buy in amongst others.

5. **Enable action by removing barriers** - identify current barriers with the process you want to change and overcome them giving positive outcomes.
6. **Generate short-term wins** – communicate wins, big or small to keep momentum up.
7. **Sustain acceleration** – keep going, implementing the change little by little not to lose sight of the end goals.
8. **Institute change** – continue to manage the change, promote its success, establish any downfalls and change to accommodate, continually evaluating the change and celebrating its successes.

(Kotter,2016)

The Influence Model



Mckinsey (2016)

Mckinsey (2016), developed the "Influence model", which looks at four specific "building blocks" which are used to change mindset and help the change process.

The model has four blocks which are based around the statement *"I will change my mind-set and behaviour if ..."*

There are four different points which follow on from this one statement - Role modelling, fostering understanding and conviction, developing talent and skills, and reinforcing with formal mechanisms (Mckinsey,2016).

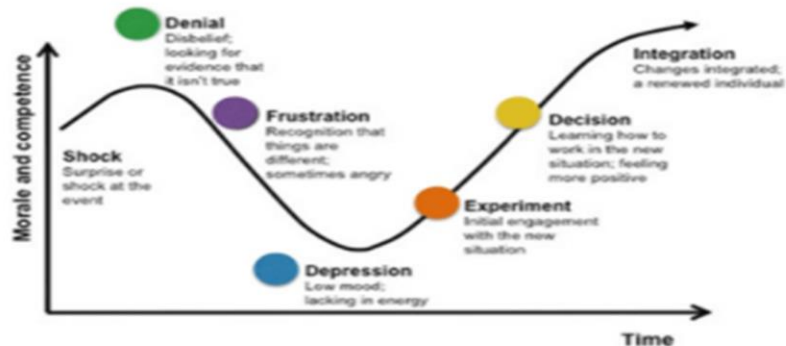
- 1. Role modelling** - It has been found that people (both consciously and unconsciously) tend to copy the actions of others around them. This highlights the importance for line manager and senior management teams to demonstrate the behaviours they wish their employees to follow.
- 2. Fostering understanding and conviction** - Employees need to understand the purpose and 'why' of what they are doing / trying to achieve and its purpose. with this they are more likely to enable a change.
- 3. Developing talent and skills** - If you give employees the skills and training

to carry out new tasks then they will feel confident and capable to so.

4. Reinforcing with formal mechanisms - processes are put in place to reinforce a change, with inevitable consequences if ignored, which will shape behaviours of employees (Mckinsey,2016).

Mckinsey (2016) states that *“Leaders should address these building blocks systematically because, as research and experience demonstrate, all four together make a bigger impact”*. Integration of these factors will greatly increase the chances of success, although it should be noted that missing just one may cause the change to fail.

Kubler-ross change curve



Adapted from mindtoll.com ()

The uncontrollable factors of change management (as previously mentioned) will ultimately be employee's reactions. This could be due to past events, feeling of fear of the unknown or in relation to how much the proposed changed may affect their job role (Wilkinson and Taylor, 2016). The Kubler-Ross change model highlights the motions of change, resembling that of a roller coaster. This is linked to a person reaction to change and changing emotions as they process the change (www.mindtools.com,2020).

Behaviours linked to adverse reaction to change include:

- *"Aggression and anger*
- *Unusual flare-ups of emotion*
- *Employees encouraging and mobilizing resistance*
- *Staff portraying themselves as innocent victims of unreasonable expectations*
- *Insensitive and disagreeable behaviour*
- *Not meeting key performance areas (missing meetings and not responding to emails, for example)*
- *Increased absenteeism, late arrival*
- *Not responding, not listening, seems disinterested*

- *Active attempts to disrupt or undermine work / projects” (Connelly,2020).*

Being aware of these reactions can help managers to identify where support is needed amongst their team.

Guest and Conway (2001), cited in Wilkinson and Taylor (2016) concluded that generally employees will react positively to changes that will support and enable them to achieve their role better, such as new improved technologies. Negative reactions tend to be more in relation to contractual changes in relation to pay, reward, job security and changes to working times / days or hours.

How can Managers support their teams through change ?



McCarthy (2004) states that a “recent research report has highlighted the pivotal role of managers in winning the hearts and minds of employees”. Line managers are the main support and contact for their teams. It is key that line managers fully understand change, with an awareness of reactions to change (as highlighted by the Kubler-Ross change model). Managers should deliver the message to their teams, answering any questions or concerns (ACAS,2014).

Line Managers can support their team by coaching through changes, reinforcing the benefits of the change will prevent the spread of negative opinions and team members knowing their roles and expectations will build a stronger team going forward. (www.mindtools.com,2019).
determine the success of a change.

To build a positive working relationship, Mindtools (2020) identifies 5 points including, trust, respect, self-awareness, inclusion, and open communication. These things have been identified as those which also contribute to successful change management (CIPD,2020).

A team that has developed positive working relationship will be more confident in sharing their honest opinions, engaging and in turn embracing change,

(Mindtools,2020).

What are the key points for Planning and Managing change?

What do you want to achieve and how are you going to do it ???

When planning for change many factors need to be considered:

- *“Why are we undertaking this change?”*
- *What do we want to achieve?*
- *What will happen if we don’t?*
- *What current problems will it and wont it solve?*
- *What potential new problems could it create?*
- *Why is now the right time for this change?”*

(Changeboard,2016)

To manage a change process, a checklist should be devised to ensure all areas are considered and completed to support the change, an example checklist could include:

- *“Agree the implementation strategy*
- *Agree timeframes*
- *Draw up detailed implementation plans*
- *Set up a team of change champions*
- *Establish good programme management practices*
- *Communicate clearly*
- *Ensure participation and help to minimise stress*

- *Personalise the case for change*
- *Be prepared for conflict and manage it effectively*
- *Motivate your employees*
- *Develop skills*
- *Maintain momentum*
- *Monitor and evaluate”* (managers.org.uk,2020).

Appointing ‘change experts’ across the organisation will not only open up another avenue for employees to contact with any questions or concerns, but they can also manage the successors or issues of the process, documenting these issues and noting fixes to continue to develop the change implementation and ensure that it adapts to the changing needs of the organisation. This will ensure that the change is truly embedded into the organisation (ACAS,2014).

Monitoring and Assessing the impact of change

Management of change is
*“needed until it becomes intuitive.....
and the behaviors are rooted in
social norms and shared values”*

(Kotter,2016).

As highlighted by ACAS (2014), it is important to set up mechanisms which will continue to evaluate the progress of the change and highlight if anything need to be adapted to suit the desired outcomes.

This can be achieved via things such as employee questionnaires, interviews, focus groups and encouraging feedback from all stakeholders.

Success could also be measured by uptake of the new change, for example, if the change is something such as the implementation of a new system, statistics could show how many managers had used the system. Further feedback could be asked of from those who had used the system, and then feedback could be asked from those who have not used the system. This will provide suggestions on potential developments for the system or may identify that there is a training issue if several employees have not been able to complete tasks within the system.

Management of change is *“needed until it becomes intuitive..... and the behaviours are rooted in social norms and shared values”* (Kotter,2016). At this point the ‘change’ process is complete.

Key principles of change management

1. Understanding the Change
2. Plan the Change
3. Implement the Change
4. Communicate the Change

(www.mindtools.com,2020)

To summarise, there are many considerations to be made when looking at implementing change within an organisation.

Four key principles are:

Understanding the Change – without clear knowledge of why, how, and what the change needs to achieve, it is set for failure.

Plan the Change –identify all factors effected by the change plan to combat any issues that may arise and gain buy-in from stakeholders.

Implement the Change – ensure stakeholders know their role in the change, providing guidance, training, and knowledge for those needed to carry out the tasks derived from the change. Assigning specific 'change champions'(Gordon,2020) as go-to contacts for employees to reach out to if needed.

Communicate the Change – positively promote why and how the change is happening
(Mindtools.com,2020).

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