

Qualification: CIPD Diploma in Applied
Human Resources

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Understanding Change Management

Introduction

This presentation will introduce you to change management in our organisation.

Organisational change is a constant and is driven by a number of different factors, these can include our customers, our industry and the ever evolving technology.

Focusing on the aims and objectives of change management we will explore the theory and models of change management and the importance of relationship management and good communication. We will also look at how to plan, implement and monitor change at ECD.

Aims

Thank you for attending this session on introducing you to Understanding Change Management.

Objectives:

- To understand the key principles theories and models of change in organisations.
- To understand the importance of communication and relationship management in the change management process.
- To know and understand how to plan, implement and monitor change in our organisation.

Change Management

Change Management

What is Change Management?



“Change management is a structured approach to moving an organisation from the current state to the desired future state.” (APM, 2017)

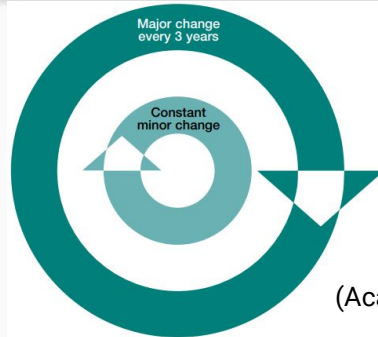
“Change management is the process of leading and facilitating change- initiating and achieving the smooth implementation of new...initiatives by planning and introducing them systematically” (Armstrong and Taylor, 2020)

What is Change Management?

Change is inevitable, with change brings the new, the unknown and it can feel threatening to some individuals (Carter and Varney, 2018). To remain competitive and ensure our survival we need to move and change with the times.

Change Management

Most organisations go through major change every 3 years.



Organisations are continually going through minor changes.

(Acas, 2014)

Change is inevitable and also a requirement if we wish to grow and develop in today's world.

Change can be planned or unplanned. Most organisations go through major change every 3 years whilst continually going through minor changes (Acas, 2014).

Ineffective change management can have a big impact on an organisation and can affect loss of stakeholder credibility, increase in turnover and a reduction in employee engagement (CIPD, 2020a).

Drivers for Change - Internal

Internal Drivers:

- New strategic objectives
- New products or service developments
- Organisational restructure
- Staff feedback
- Health, safety and welfare issues
- Critical incidents

There can be various different drivers for change in an organisation.

Internal drivers can include:

- New strategic objectives- An organisation may decide to focus on new objectives, for example, to remain competitive. This will lead to a new strategy and the implementation of change.
- Organisational restructure- A recent example of this at ECD was the retail restructure, where our objective was to streamline the retail team and better define roles and responsibilities.
- Staff feedback- At ECD we encourage staff to communicate ideas as well as positive and negative feedback in order for us to try to put things right or improve working conditions for employees. Previously an employee suggested a new way of completing the banking procedure, we trailed their idea, which was successful so we rolled it out to all stores.

Drivers for Change- External

External Drivers:

→ PESTLE factors:

- Economic downturns and challenging trading conditions
- Social factors- Consumer buying habits
- Technology- New tech and developing systems

When considering external drivers we refer to the PESTLE framework which looks at the potential Political, Economical, Social, Technology, Legislation and Environmental factors. This can be combined with a SWOT analysis (Strengths, Weaknesses, Opportunities and Threats) in order to take an evidence-based approach to provide information for strategic decision-making (Rees and Hall, 2016). Some specific external drivers are:

- Economic downturns and challenging trading conditions- A good example of this is the current Coronavirus pandemic which has seen a huge shift in trading conditions. Organisations have had to change focus and rethink their platforms, products, and services (CIPD, 2020a). For ECD this has meant a substantial shift from retail to online trading and adapting to this change effectively.
- Social factors- These are the social trends such as population demographics, consumer trends /buying habits and career attitudes. At the start of the pandemic consumer buying habits changed dramatically, forcing change at ECD through closing our retail stores and shifting sales online. We had to adapt to support existing teams by recruiting more staff to deal with the unplanned change.

- Technology- The recent CIPD (2020b) People Profession survey found that digital transformation was a driving force for change within organisations.

Organisational Factors

What organisational factors do you think can affect change management at ECD?

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Organisational Factors

What organisational factors can affect change management?

Culture	Director/Manager Buy In
Structure	Performance Management Systems
History	Contracts of Employment
Management Style	Trade Unions (not at ECD)

There are lots of organisational factors that can both hinder or enable change, all of the following examples can in fact both help or hinder change.

Fostering a change ready culture through promoting values and attitudes associated with problem-solving, honesty, engagement and commitment will encourage employees to share common values. The intention is that this will display the desired behaviours at all levels, where employees embrace change rather than resist it (Rees & Hall, 2016). “Developing an organisational culture that is proactive to change helps to create a feedback mechanism which transforms a linear change model into a continuous process” (Rees & Hall, 2016, p.114).

The history of change in an organisation can seriously hinder future change if employees previous experiences have been negative. It is important that we consider the underlying emotions in order to sustain change and long term success (Cameron and Green, 2019)

Management style and buy-in is a very important factor in the effectiveness of change management as it is more likely to positively inspire and support higher levels of trust. There is also a case for the

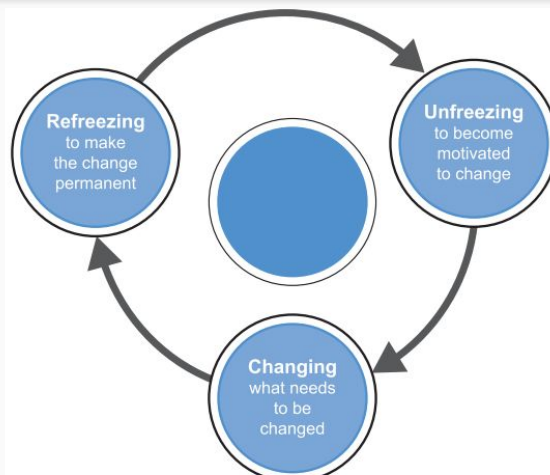
marginal gains approach to managing change. This offers a proactive and empowering approach for achieving continuous improvement as it encourages and supports employee participation which results in less resistance (Rees & Hall, 2016).

Contracts of employment can be a hindrance to change in organisations. If you are looking to implement change that affects individuals' work, conditions, benefits, etc, you need to consider the employer duties arising from change and those associated with varying employment contracts (Croner-i, 2019).

In organisations that have Trade Unions, their contribution can often greatly hinder change. It is important that formal consultation with trades unions begin as soon as possible so that resistance to the proposed change can be addressed early to avoid disputes (Croner-i, 2019).

Change Models

Change Models- Lewin

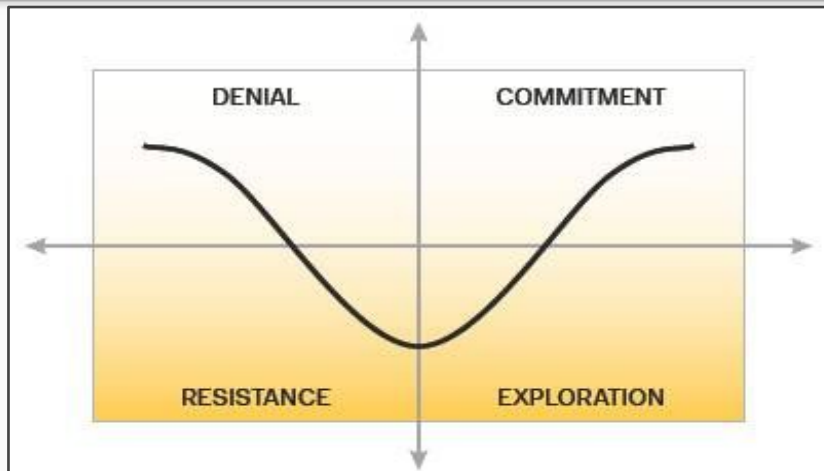


Lewin's Model breaks down the organisational change process into three stages:

1. Unfreezing- Understanding the need for and reading for change.
2. Changing- Where the action happens, this is a transitional process where individuals will start to look towards new ways of working.
3. Refreezing- Once the change is completed and individuals have accepted it the organisation is ready to 'refreeze' in order to establish stability (Mindtools, no date).

Looking at the process in stages helps to plan and manage the change transition. This model can be used as a framework in order to determine what needs to change, communicating and empowering change and sustaining change. Organisations should move through the change process through using effective communication (Mindtools, no date a).

Change Management- DREC Model



Individuals can go through a range of emotions when confronted with change. The DREC model, adapted from the Kübler-Ross '5 stages of grief Model' (Kew and Stredwick, 2016, p.81) effectively describes the stages individuals can progress through:

1. Denial- The first reaction can be an emotional one and some individuals will be in denial of the change or proposed change happening around them.
2. Resistance- At this second stage some may begin to resist the change or can be seen to passively resist or become obstructive.
3. Exploration/ Experimentation- Here individuals start to think about the change, form questions and build on the concept of change.
4. Commitment- The final stage where individuals are in acceptance and on board with the change.

It is important that organisations do not hurry individuals through this cycle, it takes time. If pressure is put on individuals to change too quickly it can cause them to revert back to earlier stages (Kew and Stredwick, 2016). This theory hinges on empathy in an attempt to see individuals perspective in order to take into account their emotional response to support successful change (Floyd, 2010).

Both models can be used as a framework for an organisational change plan, however they need to be adapted to fit real-life situations.

Relationship Management

Relationship Management

Maintaining positive relationships

- Recognising the impact on individuals/teams
- Anticipating and acknowledging reactions
- Effective consultation and communication
- Establish change champions
- Providing or signposting to relevant support
- Monitoring and maintaining relationships
- Resolving conflict



Transformational change can be achieved through social interactions with organisational members (CIPD, 2020). HR has an important role to play in fostering positive working relationships in order to support the change process. We can ensure our organisation has a change ready culture which encourages commitment to a shared vision (Kew & Stredwick, 2016). We can also allocate Change Champions as we will understand who the key influencers or enthusiasts are, both can make change more successful and reduce resistance (Marris, 2017).

We can also look at building trust in order to maintain positive relationships. This can be done in a number of ways which include; explaining why change is important whilst recognising how it may affect individuals; consulting and allowing individuals to participate; managing expectations; signposting to support, monitoring relationships and recognising and resolving conflict.

HR's Contribution

How can HR contribute to Change Management?

- Culture of Change
- Effective Communication
- Learning & Development
- Support through policies & procedures
- Share Success

In order for HR to positively facilitate effective change we can encourage and foster an organisational culture that embraces change and also encourages employee engagement. Support through training and development can augment employees responsiveness and ability to adapt to change (Wilkinson and Taylor, 2016). With the support of line managers employees can be mentored and or coached to assist with the acceptance of change. Post-change it is essential to celebrate successful change endeavours by communicating any successes in relation to organisational performance as well as individual success stories. Shouting about successes will help embed a positive change ready culture for the future (Wilkinson and Taylor, 2016).

Communication

Communication

Communication is key!

- Top-down channels
- Bottom-up channels
- Two-way discussion



Effective communication is key to successful change management so organisations should have a communications strategy which sets out how you will communicate your key messages to your target audience (Acas, 2014). An Internal communication strategy should consider different methods such as Top down channels, where senior managers talk to employees or put out other communications via line managers in team meetings or memos. Bottom up channels include employee participation, collective consultation and workshops which allows for the opportunity to take part in talks and put forward ideas; leaders also need to listen! (Carter and Varney, 2018). Two-way discussions are when staff meet one to one with managers and/or HR to give the employee an opportunity to talk about their personal circumstances and how any change may affect them (Wilkinson and Taylor, 2016).

Communication needs to be tailored to the audience; there will be many different stakeholders all with their own preferred ways of communicating which is why it is prudent to use a mix of communication channels which can include meetings, emails, intranet sites, etc. The level, breadth and depth of information required needs to be taken into consideration as does the frequency. Over communicating can irritate individuals, however we shouldn't be afraid to repeat key messages as employees will be at

different stages in coming to terms with change (Acas, 2014).

Face-to-face communication through team meetings and one to one consultations are great for briefing staff and building trust. You may not be able to answer all questions during a meeting so we can use email or newsletters to respond to queries (Acas, 2014). Regular communication is necessary for developing understanding and buy-in. Using different forums also helps to engage individuals and help them understand and accept the organisation's vision and strategy (Marris, 2017).

Trade union and employee representatives or employee reps also have an important role to play in getting messages across (Acas, 2014).

Communication- Technology



**Changes
Success Stories
Skills & Training
Thanks**



The use of technology through Social Media platforms are a great way to tailor communications but need real-time communication and should have real purpose and meaning. Using technology to communicate change and celebrating success stories online create positive publicity (McKinsey, 2016).

Communication Plan

A Communications Plan will describe:

- The communications objectives
- How those objectives will be accomplished
- The timeframes and effort involved
- How you will measure success

(SHRM, 2019)

When managing change it is useful to develop a Communications Plan, which is a document that plans out how and when you are going to communicate your message. It will set out communication goals, stakeholders, communication activities and timeframes (SHRM, 2017). The plan should also support individual requirements through providing advice, signposting to relevant support, training, coaching and mentoring.

Planning for Change

Planning for Change

1. Define
2. Plan
3. Implement
4. Sustain



(SHRM, 2015)

According to SHRM (no date) there are 4 phases of change management:

1. Defining- This is where we conduct an assessment of internal and external factors in order to define the change for the future. HR are able to provide people data and help identify gaps to support this phase. Should ensure alignment with business strategy and also note that by the time change is ready to occur, the environment may have changed.
2. Planning- At this stage we create prioritised, actionable and realistic goals whilst understanding the potential impact on stakeholders. We should assign people with change management experience to increase success.
3. Implementing- Here we enact the change through best practice project management through a project manager. We should consider using a senior level change champion and ensure all stakeholders remain engaged through effective communication.
4. Sustaining- Finally we should work with leaders and employees to monitor adoption and drive lasting change as well as measure the impact of change (SHRM, no date.)

Change Plan



A Change Plan should include:

- Vision and objectives
- Specific activities
- Scope of activities
- People and roles
- Stakeholders and parties affected
- Communication strategies
- Support strategies
- Timings and milestones
- Resources
- Monitoring activities
- Measuring success

A Change Plan should be used to successfully manage change.

- Vision and objectives; Why is change needed and what are the benefits? Believing in the “why” behind a change can therefore inspire people to change their behavior (Basford and Schaninger, 2016).
- Specific activities to achieve objectives
- Scope of activities
- People and roles
- Stakeholders and parties affected
- Communication strategies
- Support strategies; What support can we offer to those affected? Training, employee assist programmes, counselling, etc.
- Timings and milestones
- Resources; What resources will be needed? Time, budget, people, equipment and materials.
- Monitoring activities
- Measuring success

When planning for change we should be agile and make such plans with contingencies built in; continually monitor changes and adapt plans

accordingly (Rees & Hall, 2016).

Implementing Change - Kotter

Kotter's 8-Step Change Model

1. Establish a Sense of Urgency
2. Create a Guiding Coalition
3. Develop both a Vision and a Strategy
4. Communicate the Vision
5. Empower Employees to Act
6. Generate Short-term Wins
7. Consolidate Gains to Build more Momentum
8. Institutionalise the New Approaches



(Croner-i, 2019)

Implementing Change - Best Practice

- Ensure active and visible executive sponsorship
- Apply a structured change management plan
- Communicate frequently and openly
- Engage with front-line employees
- Dedicate change management resources
- Engage and integrate with project management
- Engage with and support middle managers



According to Prosci (No date) there are 7 Change Management Best Practices:

- 1.Ensure active and visible executive sponsorship
- 2.Apply a structured change management plan
- 3.Communicate frequently and openly
- 4.Engage with front-line employees
- 5.Dedicate change management resources
- 6.Engage and integrate with project management
- 7.Engage with and support middle managers

Other best practices to consider is the use of technology to ensure we are giving individuals the right tools, cultivate the right environment to remove barriers to change.

As previously discussed, regular and honest communication is best practice in implementing change with the focus being on creating a clear understanding of new contexts.

Monitoring implementation & Impact of Change

Qualitative & Quantitative Data



Monitoring the change process is essential to ensure we are on the right track and make adjustments if needed. It also demonstrates to all stakeholders how the change is being delivered and whether there are enough resources (APM, 2017). There are various techniques for providing qualitative data for monitoring the implementation of a change process. One technique is to consult with stakeholders throughout the implementation to gain direct feedback and gauge the engagement of stakeholders. This can be done through interviews and focus groups. These techniques are beneficial as they promote dialogue and assists in understanding current attitudes and opinions (Perkins and Woodhams, 2016).

We can also use technology such as social media or use the pulse survey option on our PeopleHR application, this provides fast and live data to measure attitudes and opinions which can allow us to make adaptations quickly. We could also use this technique to tell the organisation's pre-change story in order to remind employees why and how we are changing.

Another technique is to collect data to monitor momentum and success factors like objectives and milestones from the change plan as this should give a clear indication of how well change is being implemented.

Croner-i (2019) states that "Change needs to be evaluated to find out what has been achieved, whether it has reaped the rewards expected and what has been learned from the process". We can assess the impact of change by using both qualitative and quantitative data.

Quantitative data from business statistics and also HR metrics are a useful technique. Data from staff turnover, sickness absence, recruitment and training can all be indicators of whether change has been successful. For example, if sickness absence is on the rise following a change initiative it may indicate that change was not overly successful. Data from SLA's, KPI's and Balanced Scorecards are also extremely useful for assessing the impact of change. In order to define which measures are meaningful we need to collaborate and then establish, collect and review the relevant data (Prosci, No date)

Conclusion

Change Management is all encompassing and there is a lot to take into consideration before thinking about implementing change in an organisation.

We need to think about internal & external drivers as well as factors specific to the organisation.

In order for change to be successful we need to ensure we design and plan accordingly whilst also being agile and adapting as required. We should also think about the theory and take on best practice when implementing the change process.

Finally we need to evaluate and report on how change was managed.

Thank you!

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