

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.

Introduction

Change, by its very nature, is an ever-present element that every organisation. In times of change managers have an important role in terms of identifying the current landscape, planning what changes need to take place and successfully overseeing the transition.

Even if events are happening outside of the organisation’s control and the aim is stability, there will still be change that needs to be managed, for example, cutting costs, or reducing the turnover of staff.

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) add to this and suggest that the leaders of the organisation are in control of the direction and process of change and must focus on human elements such as any resistance to change found internally.

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 Schaffer (2017) stress that the process of change should not always be driven by external factors. Change (both large and small) should be seen as an ongoing process to constantly improve the organisation becoming

part of everyday life.

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 two 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

External forces such as Brexit and now especially Covid19, is profoundly impacting on every aspect of the organisation. Such events are characterised by dramatic changes happening outside of an organisation's control and as such are unplanned. Other forces for example, a change in the global market, fluctuations in the capital markets, employment opportunities and a rise or fall in the consumer demand, an aging population meaning potentially more people caring for relative, all impact an organisation.

Change does not have to be negative; positive change can be driven by new market opportunities for example, but the process still needs to be managed effectively. Managers need to be aware of their environment and then make rational choices to modify and adapt their internal processes and structures to thrive in that environment

(Fernandez & Rainey, 2006).

What is clearly important is how organisations react to these external pressures, which will impact finances, relationships with customers and suppliers, the products and services offered and of course, on the people within the organisation. Managers need to be reactive to change, but also proactive; scanning the market, competition and consumer trends in order to plan strategic change (CIPD, 2017).

DRIVERS OF CHANGE

Internal:

- New leaders are introduced with new ideas and maybe a new mission
- learning new organisational behaviours and skills
- Introducing innovation in working practices
- Reacting to low employee satisfaction
- Reacting to poor individual/team/organisational performance

Drivers of change

Internal

Important elements of organisational success, such as goals and strategy, leadership and organisational culture, are often impacted by changes that originate outside the organisation (Burke, 2002). However, internal drivers for change generally come from within the organisation itself, which can be an organisational desire to improve operational efficiency, products, services or processes (Cameron and Green, 2004).

Internal drivers can come from:

New leaders are introduced with new ideas and maybe a new mission

learning new organisational behaviours and skills

Introducing innovation in working practices

Reacting to low employee satisfaction

Reacting to poor individual/team/organisational performance

Change brought about in these areas is led by leaders and managers reflecting on how best to update skills, implement a new culture, change working practices, as well as responding to employee feedback on work-life balance. Where an organisation is changing hearts as well as minds, this brings pressures and challenges to everyone in the organisation. Managers need to be able to adapt as the world of work evolves (CIPD, 2017).

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

OD

Having a continuous approach to improving organisational performance (i.e. making small, but evolving changes) means that when unexpected events trigger change, organisations are ready and employees are used to a process of change. Having such a process in place is called organisational development (OD). OD can be seen as a planned, ongoing, systematic change that aims to institutionalise continual improvement within organisations (CIPD, 2020). OD often looks at the people element of change, where behaviours, management style, group dynamics and internal relationships are reviewed and addressed. OD is about people, their knowledge and skills and their involvement in changing their organisation. These are attributes that must be drawn on during times of unexpected (or planned) change (Burke and Bradford, 2005).

ORGANISATIONAL FACTORS THAT ENABLE/HINDER CHANGE

Enablers of change:

- Leadership - “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”. (Gilley et al, 2009).

Enablers of change

Leadership

Leadership is another enabler of change. 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. For change to happen successfully, leaders need to display a range of characteristics such as integrity, motivation, drive, emotional intelligence, self-confidence, intelligence and knowledge of the business (Weymes, 2003). A leader armed with these certain skills and competencies is more able to influence employee commitment, empower staff to make changes and develop a sense of urgency to facilitate the change process (Kotter, 1995). Without strong leadership change management programmes cannot succeed.

ORGANISATIONAL FACTORS THAT ENABLE/HINDER CHANGE

Hinderer of change:

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

Project Management (PM)

The use of established project management techniques can assist organisations with complex change projects. However, 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 training in PM, the change initiatives being over-managed and too much energy spent on project management and too little on enacting change. Boddy and MacBeth, (2000) see project managing change as difficult when there are lots of potential routes to go down and conflicts over the different solutions.

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

Any change can be potentially scary and daunting and when an individual is personally confronted with a major organisational change, they will go through a natural reaction process (Scott and Jaffe, 1988). This process consists of four phases: initial denial, resistance, gradual exploration, and eventual commitment. Resistance can delay or slow down the change process, obstruct its implementation, increase its cost or even stop the change from happening. Having concerns about change is natural, as it can mean a loss of control, uncertainty, inconvenience, a threat to status and fears over whether someone has the skills to make it through the change (CIPD, 2019).

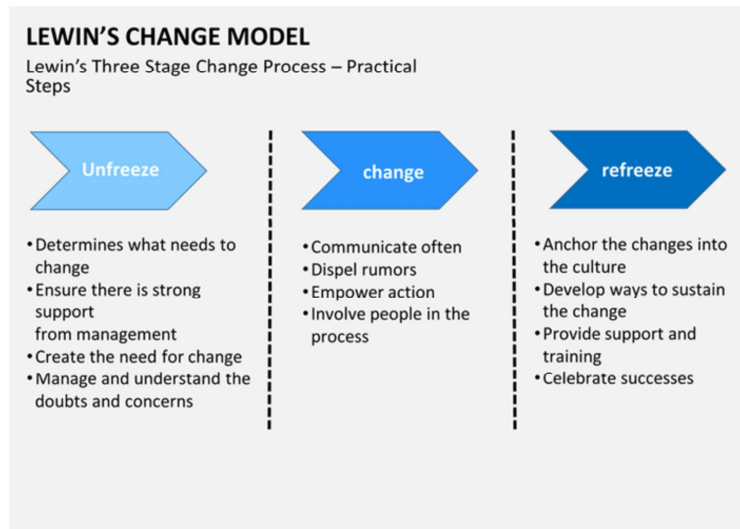
The CIPD (2019) define resistance as an individual or group engaging in an act that blocks or disrupts an attempt to introduce change. Resistance can take different forms and range from a subtle undermining of the people or processes involved in change, to more active resistance such as withholding information or even going on strike.

Broadly there are two types of resistance. Firstly, resistance to the content, which could be active disagreement about a new process or a particular technology being introduced. Secondly there is resistance to the actual process of change. For example, taking strike actions due to management re-structure of jobs without prior consultation with employees. It is important to note however that not all resistance is necessarily

negative. Whilst it is a natural defence mechanism, it could also be a warning signal that the change initiative requires genuine rethinking (Bovey and Hede, 2001).

An explanation of 2 change theories/models

Lewin's three-phase
change model:



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). The model delves into the psychological aspects of how behaviours change 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.

The Lewin model suggests that when an organisation is faced with change and the possible disruption that this will cause, there is a tendency to maintain its equilibrium i.e. not get involved in the process or be actively negative. This position needs 'unfreezing' and that a new state of equilibrium has to be intentionally moved towards (movement), and then finally, strongly established, so that a change will 'stick' (refreezing) (Kritsonis, 2005).

Lewin's ideas are valuable and are seen as valuable by authors such as Kritsonis (2005) and Cameron and Green (2004) when analysing the process of change and the impact

change will have on some mind-sets within the organisation. Interestingly Cameron and Green (2005) 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

Following research into American organisations that failed to effectively manage change, Kotter (1996) created an 8 stage model that 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 (2005) suggest that Kotter's eight steps are an excellent starting point for those interested in making both large and small-scale organisational changes. Kreitner and Kinicki (2007) identify that because Kotter focuses on leading change rather than managing it, the model places most emphasis on getting the early steps right, indicating that the leaders and managers carry the responsibility to lead the organisation through its change process. Without this support, the change process can be extremely difficult or slow.

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 says Boddy and MacBeth (2000). This is because success comes from the power of relationships and not the strategy or associated systems and processes. Within a febrile atmosphere of change, organisations need to manage the people element to achieve organisational objectives and maintain the commitment of their people, both during and after implementation (CIPD, 2019). Central to supporting change is how positive work relationships are managed, as major change affects all employees in how they work, who they work with, their status, interests and future prospects (Weymes, 2003).

A shared feeling of commitment and shared purpose must be fostered by leaders as highlighted by Kotter (1996). This was evident in studies conducted at IBM, which highlighted that trust and personal responsibility in all relationships was valued by employees as they went through a difficult change programme (Palmisano, 2004). Shin et al, (2012) believe this can be achieved by encouraging managers to build strong relationships based on mutual trust with employees during times of organisational change. 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.

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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

Organisational change affects a wide range of stakeholders including, suppliers and partners in the supply chain, customers, the wider public and of course those within the organisation itself. Lewis et al (2001) suggest carrying out a stakeholder analysis to identify, understand and prioritise stakeholders, both internal and external. From this a communications plan can be made with the options to communicate with the most important stakeholders first, and the less crucial ones later in the form of "Manage closely," "Keep satisfied," "Keep informed," or "Monitor".

Aguirre and Alpern (2014) found that successful change projects had open and inspiring internal communications using a range of communication tools to make it more effective. For employees, imposed change can lead to greater employee resistance (CIPD, 2019). Kotter (2006) suggests that without clear and credible communication, 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"*.

However, it is not just communicating messages that is important and as a stakeholder

analysis will show, not all employees will be impacted by the change in the same way. Take managers for example, they may have data at their fingertips, but may need help, support and the skills to lead their employees through difficult times (Kotter, 1996). As Wales (2002) stresses, enabling change in others must start with understanding and managing change in oneself, and coaching and mentoring managers (and employees) addresses such an issue.

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
(1970).

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 based on measurable objectives on which to judge success. This information then needs to be written into a change plan. The details of the change plan will depend on the desired outcomes and on the approach to be taken and may include whole organisational change, a departmental restructure or changes within a certain team Cunningham and Kempling, 2009).

Moran and Brightman, (2001) highlight that the plan needs to be presented in clear, concrete terms that everyone can understand, and just as importantly, it must establish a practical, step-by-step route for accomplishing the change. This will enhance the perception that the change is a real possibility, but also justify the use of scarce resources to effect the change (Moran and Brightman, 2001).

The plan should cover the following points as suggested by the CMI (2014):

1. Agree the implementation strategy and measurements
2. Agree timeframes
3. Draw up detailed implementation plans (using a Gannt Chart)
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 (coaching/mentoring)
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) (Sirkin et al, 2005).

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

In addition to the use of a documented plan the CIPD (2019) suggest making use of narratives and stories as devices to make the content and implications of any change plan, easier to understand. The use of objects, metaphors, symbols and pictures are encouraged to be used the by CIPD (2019) as it helps to engage individuals and to enable them to translate a written plan into something they can see working for them on a personal level. Both of these techniques will help managers take into consideration the tension and anxiety the employees are experiencing about the prospect of change. These emotions should be seen as tools facilitating a connection with employees, rather than as a burden to be dealt with (Fox and Amichai-Hamburger, 2001).

ASSESSING THE IMPACT OF CHANGE

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

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, both a quantitative and a qualitative approach needs to be taken to the measurement of organisational change. Beer and Nohria, (2000) studied change programmes in organisation and used both hard and soft measurements. This “hard” measure quantified tangible economic values which should have been highlighted in the change plan. These need to be regularly monitored and evaluated against and can be measured in terms of financial performance, productivity, or any metric linked to the objective (Aguirre and Alpern, 2014). The CIPD (2019) raise the issue of checking whether such objectives are still appropriate or do they need to be revised in the light of experience; what was introduced at the start may no longer be compatible with the changes being introduced and may not be measurable or relevant.

A soft approach, or qualitative method, can be used to measure capabilities, corporate culture and human elements such as attitude, morale, and engagement associated with change (Beer and Nohria, 2000). Each of these items can be measured qualitatively via

before and after surveys, questionnaires and focus groups (Aguirre and Alpern, 2014)
The CIPD (2020) also propose 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'.

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

- One size fits all
- Imposed
- Criteria are established externally
- Information in fixed categories only
- Meaning is predetermined
- Prediction, routine are valued
- Focus on stability and control
- Meaning remains static
- System adapts to the measures

Wheatley and Kellner-Rogers (1999)



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

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

Table 1: important distinctions between feedback and measurement

There are clear benefits and drawbacks to using a single approach and the Wheatley and Kellner-Rogers (1999) model allows a combination of measurement and seeking feedback as an appropriate way of determining change success.

Thank you

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