

Change Management - A Guide for Line Managers

Presented by Vikki Evans, Regional HR Advisor - Wales

Welcome to today's session, Change Management, a Guide for Line Managers. I'm Vikki, the Regional HR Advisor for Wales and will be delivering the session which aims to guide you, as line managers, on how to effectively manage change within the organisation to develop and support organisational objectives. Change can sometimes be seen as a frightening prospect, however, I am hoping the session will give you an insight about how to build positive working relationships, support initiatives and assess the impact of this change on yourself and your team.



What is Change Management?

Firstly, we will look at what Change Management is as a principle, and what it means to a business.

Change Management

“The Greatest danger in times of turbulence is not the turbulence; it is to act with yesterday’s logic.”

Peter Drucker

This quote is very fitting during the current climate due to COVID-19. Peter Drucker wrote “The greatest danger in times of turbulence is not the turbulence; it is to act with yesterday’s logic.” (Drucker, 1980)

This relates to the point at the start of my presentation that change is needed, as to act in ‘the way we always have’, particularly during uncertain times, can hold us back from moving forward.

Change Management



- ▶ Why do we need change?
- ▶ Change is needed!
- ▶ Long term goals or the organisation AND the individual
- ▶ Line managers play a critical role
- ▶ Long term impact if change fails

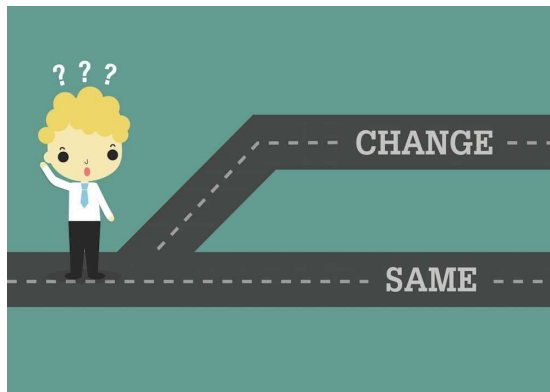
Change as a principle can be defined in many ways. The CIPD defines change as “a constant in many organisations, driven by a number of different forces including customers, markets and technology.” (CIPD, 2020) It also advises that many plans to drive change within organisations never come into fruition. This can have long term impact on the business and its employees.

It is therefore important to understand the techniques needed to manage and support change management initiatives, for them to be successful.

Why do organisations need change? Change Management is critical within organisations as they are expected to adapt more than ever before. Changes to technology, new market opportunities, pressure from customers and economic factors are just a few examples of changes that companies have to deal with. During the last few years, UK organisations have had to cope with changes brought on by Brexit negotiations, and since the beginning of 2020, have had to deal with the repercussions of COVID-19. The pandemic has meant businesses have had to change rapidly to deal with changes to working practices, regulations, Health and Safety and the impact on services. A Guardian article wrote that the pandemic has been a threat to some businesses, but has offered opportunities to others. (Wood et Al, 2020) This is true for businesses who may have been reluctant to change prior to COVID-19, as

the pandemic has changed every fundamental part of our lives, including how organisations operate. This driver for change has meant some organisations have realised that changes were needed a long time ago, with the pandemic accelerating these changes. For example, businesses may have been reluctant before the pandemic to allow flexible working. The pandemic has shown that agile working is a positive for businesses, with employee productivity levels increasing. A Boston Consulting Group survey taken in May 2020 stated that “75% of employees have in fact been able to maintain or improve their perceived productivity on individual tasks” (BCG, 2020) which debunks the traditional view of agile working not being efficient for businesses.

Internal Drivers of Change



- ▶ Strategic Objectives
- ▶ Employee or Stakeholder feedback
- ▶ Technological advances within the business

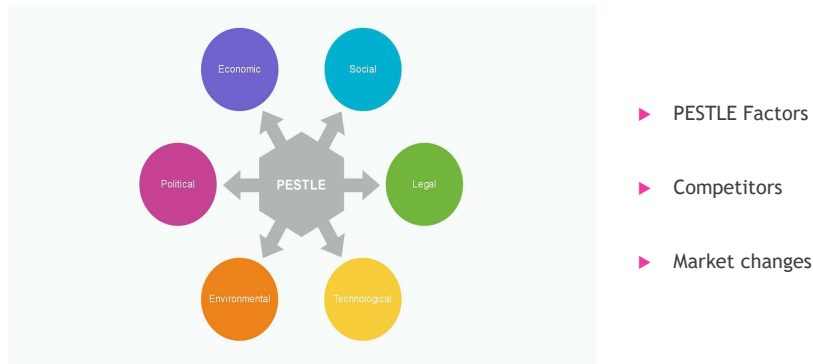
There are many drivers for change, which we explored briefly in the previous slide. However, it is important to note that there are not just external drivers to consider, but internal drivers of change too. Sometimes, internal drivers can be difficult to implement or change as they are specific to the organisation. Three examples of Internal Drivers of change include strategic objectives, employee/stakeholder feedback and technological advances. An organisation that has clear strategic objectives will know that planning for or adapting to change is vital to succeeding, and organisations without forward visibility may struggle when faced with the need for change as they are not prepared to do so. This can impact competitive advantage and culture within the organisation, with a reluctance to adapt to change and a 'way it has always been done' mentality. (KCG, 2020)

This links in with employee or stakeholder feedback, as there are organisations who may have a culture of resisting change driven by stakeholders who are change adverse. This could be due to a history of change being badly implemented previously, thus impacting their individual experience, or there could be 'silo' mentality where individuals are reluctant to change for fear of their own individual role or contribution being altered in the business. Managers therefore need to look at how they can overcome this resistance, as managing change effectively can be

critical to the organisations success within its market.

Changes in technology within a business is another key internal driver for change. A 2019 article warned that the danger of using technology to drive change is that “technology advances exponentially” meaning technology changes quicker than people do. (Brinker, 2019) This can cause issues as people’s capacity to learn and keep up with new technologies means that there can be difficulties when introducing this into a business. However, if managed effectively, for example, using connectivity across the workforce to deliver better agility in order to react to change, and relying less on ‘clunky’ systems, new technology can become an asset that supports both employees and the wider business. (Roe, 2019)

External Drivers of Change



External drivers also impact organisations and how they manage change. PESTLE factors (Political, Economic, Social, Technological, Legal and Environmental) heavily impact businesses and how they operate.

When considering change and external drivers, the most common factors impacting business are competitors and changes in the market in which the organisation operates. Competition between businesses is good for consumers as this means organisations within their market have to provide good quality products and the right prices for products to remain competitive. However, when competitors begin to change their business models or pricing (for example lowering prices or starts to innovate into other markets) this competitor makes other organisations within its market less attractive to consumers. A key factor for organisations to remember is to “improve its own effectiveness while eroding that of its competitors.” (Hout et Al., 1982)

Market changes can have positive and negative impacts on business change, too. For example, a recession or economic downturn can completely change a business, namely how it operates in a market, its size and profitability. In recent times, the Coronavirus pandemic has impacted businesses in respect of how they operate. Many businesses have also been forced to reduce their size, operate in leaner ways due to

restrictions and also innovate around working practices with many businesses having employees working from home, or limits on numbers who are allowed into work.
(McKinsey, 2020)

Enablers of Change

- ▶ Change-ready culture
- ▶ Flat organisational structure



Within some organisations, change is already something that is commonplace and the culture is agile enough to change when required to do so.

Creating a change-ready culture is vital in today's business environment, particularly with recent developments in technology, changes to the working environment due to the COVID-19 pandemic and operational changes as a result of Brexit. With the world changing so rapidly, businesses can get left behind if they cannot adapt quickly to change. Being flexible around working practices leads to productivity, building on a multiskilled workforce ensures employees have the ability to adapt and allowing for autonomy on decisions can allow for 'buy-in' as employees are engaged with organisational objectives. (Anghel, 2017)

The structure of an organisation can also impact on how change is enabled. Having a flat organisational structure can work in a businesses favour as less 'layer's of management mean faster communications which are less ambiguous. Larger structures can take longer to come to decisions, communication can be lost and be ineffective. Flat structures can react to change quickly and spend less time getting through 'red-tape' that comes with multiple layers of stakeholders. Flat structure. They also have the benefit of giving autonomy to individuals as there is less need for approval from multiple parties which can lead to higher engagement. Less

complication means that conflicts can also be reduced and clarity is given around responsibility during change. (Burley, 2020)

Factors that can hinder change



- ▶ Presence of Union

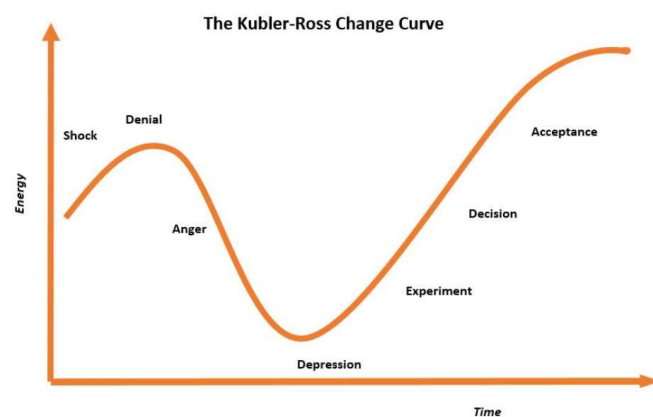
- ▶ Negative history of change strategies

In comparison to factors that enable change, there can be factors that hinder change from taking place.

The presence of Trade Unions (whilst they can be a positive in many initiatives) can prevent change strategies from being implemented, or slow them down. It can be said that trade unions are “rigid” in their tradition of loyalty, ownership and influence within an organisation (Lin, 2019) and this can be to the detriment of change management. However, this can be organisation specific and tends to differ widely between industries.

Another barrier can be a negative history of change initiatives, where change strategies have failed. Employees can be daunted by the prospect of more change if previously it hasn't been managed properly. Leaders should remember, to be successful with change, that “employees have a limit on the number of changes they can successfully process.” (Prosci, 2016) Also being sensitive to a workforce who has endured many changes before by adopting a structured and transparent approach can also be beneficial.

Kubler-Ross Change Curve



Source: Change Management Insight, 2019

There are many models that explain change, and underpin the basic principles of how to manage change.

The Kubler-Ross Change Curve (1969) explains change from the perspective of an individuals' emotions that are experienced during change or when going through a transition. Kubler-Ross demonstrated four stages that individuals go through when dealing with change, which are shock and denial, anger, bargaining, depression and acceptance. The change curve can be utilised to manage change within an organisation, as any change initiative can prompt the four stages to occur. Managing these reactions from employees when going through any change management process can be challenging. However, the easier change is made to deal with, the better it will be for the organisation and the success for the changes needed. Getting things wrong, particularly when it comes to supporting employees through change, can cause problems and can sometimes not be reversed.

It is helpful to be very clear at each stage of any change what the impact will be on employees, and being transparent on any effects (i.e loss of jobs, changes to internal structures etc) as hiding any important information from individuals can impact trust and overall, be a failure for implementing change.

Kotter's 8 step change model



Source: Warren Lynch

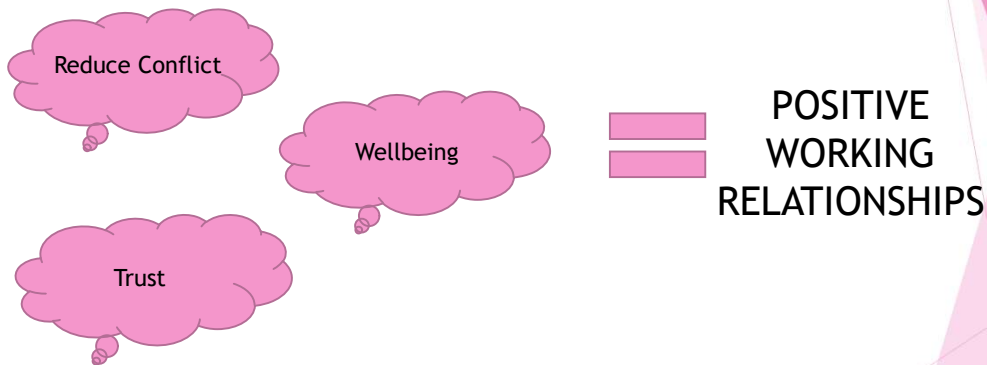
Another example of a change model that can be utilised when managing change in an organisation is Kotter's eight step change model (1996). Kotter's model is more comprehensive in the detail regarding change, and fits well with organisational change. The eight steps are as follows:

- Create – at this first stage, Kotter notes that it is important to create a sense of 'urgency' around change
- Build – this is where ideas for change are developed
- Form – here, the exact strategy about the change needs to be developed
- Enlist – the fourth stage, where communication escalates around objectives and vision for the change. This is a key stage in order to get individuals 'on-board'
- Enable – another key stage where the organisation can begin to involve employees to take responsibility for change and to move it forward (for example, within their own roles or influencing others who may be reluctant)
- Generate – as the changes start to be implemented more formally, the organisation can begin to plan goals or objectives for the short term.
- Sustain – at this stage, the organisation needs to think about the sustainability of change for the longer term, and as in the model, capitalise on any gains made
- Institute – the final stage where the organisation starts to settle and begins to

move forward with incorporating a new and improved culture.

The above is a useful guide to an organisation implementing change as it sets out clear goals at every part of the change process. It can be useful to note however, that this is a high level view, which doesn't necessarily individualise in the way Kubler-Ross' change curve does. It is therefore helpful to take a blended approach to any change initiative, balancing employees thoughts and involvement alongside the organisation's objectives.

How can we build and maintain Positive Work relationships?



A key part of enabling change within organisations is to build and maintain positive relationships within the workplace.

To build positive working relationships., managers need to lead by example and ensure employees are equipped to deal with change. Kotter (1999) wrote that “More change demands more leadership” which demonstrates that in times of change, strong leadership is essential for change initiatives to take place and ultimately succeed. It was also emphasised by Kotter that most failures within organisational change came from a lack of alliance between management and employees, and conflict is increased due to this. By providing reassurance, positivity and leadership, managers can reduce the chance of conflict as employees are less likely to resist change if they feel comfortable with it.

Positive working relationships are also built on trust and transparency in communication. Employees will be resistant to change if they have been through bad experiences of change previously or if they feel threatened by the changes due to lack of engagement in the process. Engaged employees are far more likely to accept or adapt because they know they will be communicated with and given the opportunity to be involved in the process, which in turn will mean they will identify with the future success of the organisation. (ACAS, 2014)

In terms of leadership, an authoritative style can be helpful at times of change. Goleman (2011) advised that this style of leadership is best used when change is required to be actioned as an authoritative leader will guide individuals towards a particular vision in line with organisational strategy. This type of leadership also allows for innovation from individuals and risk based on facts which will give employees a feeling of engagement with the changes to the organisation.

Planning for Change

Example Change Plan

Created by	xxx
Date	xxx
Version	xxx
Vision and Objectives	
The goal of the change should be inputted here, with clear objectives stated for what needs to be achieved with the changes.	
Activities to achieve objectives (attach Gantt chart)	
Utilising a Gantt chart can be helpful to project manage change, depending on how large the project is.	
Business case (evidence-based - include data, benefits of change, gap analysis - difference between current and future states, costs and risks)	
Here, the case for the change initiative needs to be demonstrated. Many stakeholders will want to see how this change will positively impact the business, so including any evidence (data etc) will be helpful, along with how the business will look after the change. Any risks should be identified and communicated, too.	
People affected (stakeholders - employees, particular employees, customers, shareholders)	
Management will decide who will be impacted, again this depends on the scale of changes.	
Scope of change (eg, one site, one product group)	
Does the change impact the entire organisation, including subsidiaries (if applicable) or just a specific business unit?	
Roles (project manager, sponsor, team members)	
Identify clear roles for all those involved in the process.	
Communication strategy (attach communication plan, list of change champions)	
Communication plans can be helpful to influence and be transparent, along with involving employees to lead on change within their departments.	
Support to be offered (advice, counselling, coaching, mentoring, representation, training - attach, for example, a training plan)	
Any additional support can be identified and provided as appropriate.	

Timings and milestones (see Gantt chart)

Utilising the Gantt chart can keep the plan on track.
Monitoring activities
How will the change initiatives be monitored and what targets need to be met?
Success Measures
Similarly, what is going well and what is not going well. Having defined goals and timescales can help to measure success.

When planning for change, it can be helpful to use a change plan to support with setting clear objectives and what is required to reach these goals. A 2016 study showed that just 15% of employers with little or poor change management achieved their objectives, in comparison to 94% of employers who had excellent change management processes. (Prosci, 2016)

In the example above, a clear plan for who is involved, cost, timeframes and objectives are clearly defined, which can help keep a change strategy on track. Having clarity will help during periods of change as there can be a lot of uncertainty amongst employees with what will be the outcome of the change strategy and how long the impact will be on them and the wider organisation.

By adopting a clear plan, goals can also be achieved by clear timescales without distraction, and this helps to support employees with any concerns, as there is a clear and defined pathway rather than a chaotic approach.



As previously mentioned, monitoring and assessing change is vitally important to a successful change management strategy. Planning and reviewing change regularly also supports positive working relationships, particularly as employees will want to have visibility on the short and long term plans of the change, and how it will impact them personally. Understanding the emotional impact, involving employees wherever possible and keeping communication factual (myth-busting is key as rumours will always circulate at times of change) will ensure the manager is in a good place to support employees and ensure the process is as smooth as possible. (Coleman, 2017)

By ensuring the above processes are followed and maintained, managers will be in a far better position to navigate their team through change. By also improving communication and engagement, morale is also likely to be boosted through the team as they feel they can trust the process.

In Summary...

- ▶ Best Practice Approach
- ▶ Communication is key!
- ▶ Keep stakeholders aware of the vision and benefits
- ▶ Keep support ongoing
- ▶ Manage the plan and monitor impact
- ▶ Ensure strategy is flexible to change or adjustments

In summary, change management can be extremely effective and worthwhile for an organisation. Being transparent with objectives, plans and goals of a change management strategy can help with buy-in from stakeholders across the business, and having a structured approach will allow for a successful implementation. Supporting employees continuously is vital, as change can be stressful and have a negative impact on morale. Engaging properly, adjusting where needed and monitoring how the change initiatives have worked out are all key factors of a successful change management strategy. Ongoing reviews of the impact changes have on an organisation with any changes being communicated leads to positive change and engagement from across the organisation.

Thank you for listening.



Questions?

In summary, change management can be extremely effective and worthwhile for an organisation. Being transparent with objectives, plans and goals of a change management strategy can help with buy-in from stakeholders across the business, and having a structured approach will allow for a successful implementation. Supporting employees continuously is vital, as change can be stressful and have a negative impact on morale. Engaging properly, adjusting where needed and monitoring how the change initiatives have worked out are all key factors of a successful change management strategy. Ongoing reviews of the impact changes have on an organisation with any changes being communicated leads to positive change and engagement from across the organisation.

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