

Qualification:

CIPD Diploma in Applied Human Resources

Module Name:

Understanding the Management of Change

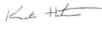
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UNDERSTANDING THE MANAGEMENT OF CHANGE

By Kate Houston



Managing change is a skill for managers with rapid changes in new technologies becoming the norm. Employees find change difficult especially when change requires different behaviours, attitudes and mind-sets. Change varies depending on type of organisation, nature and scope of planned changes (CMI, ND; Rees and French, 2016). Change happens when undertaking a project, a new initiative or changing a process improving performance. It addresses issues like organisational structure, job roles or technological transformation. Individuals are required to change their jobs, embrace a new way of working; when this does not happen the initiative fails, its success therefore dependent on their ability to adapt. You therefore have to equip and support individuals to adopt changes by a structured process to deliver a successful outcome (Prosci, ND).

Research cites organisations undergo smaller changes continually with major change occurring once every three years (Wilkinson and Taylor, 2016).

Definition:



SHRM (ND) define change management "as a systematic approach and application of knowledge, tools and resources to deal with change. It involves defining and adopting corporate strategies, structures, procedures and technologies to handle changes in external conditions and the business environment".

At Ateb you have been asked to process-map functions, these sessions will aid in driving efficiency, effectiveness and sustainability, involving reviewing regulatory requirements making judgements with your team whether processes can be changed to improve operational performance and outcomes aligned to Ateb's strategy and objectives (Ateb, 2019; Rees and French, 2016). CIPD (2018) reflect managers need to manage change to succeed in organisational objectives and maintaining a committed workforce.

Companies require change to survive: Blockbuster were approached by Netflix offering a buy-out, they refused which saw their ultimate demise (Gleeson, 2019).

Internal Drivers	External Drivers
Changes in personnel/ management	Political forces
Changing employee expectations	Economic forces
Financial requirements	Technological forces
Inadequate administrative processes	Government forces
Structural changes	Competitive pressures
Technology changes	Changing customer needs

Organisations' face competitive challenges in order to be successful managers need to consider internal and external drivers.

External drivers: are difficult to manage from the external environment like; political, economic, technological, government forces, competitive pressures and changing needs of customers (MSG, ND). PESTLE analysis aids organisations in building a picture of possible exposures whilst seeking opportunities to benefit from.

Political forces: attribute to global politics and the worldwide economy; information changes quickly like funding and grants (MSG, ND).

Ateb has to adapt to changes relating to regulations, policies, welfare reform, future funding and Brexit. To drive efficiency it is predicted by 2020 there will be more mergers with housing associations (PWC, ND).

Economic forces: the rise and fall of customer demands, loss or increase in customer confidence, fluctuation in interest rates, economic recession, employment opportunities and the financial stability of the country (MSG, ND).

Ateb's economic risks are defined in its strategic plan; the inability to repay debts due to refinancing risk in 2021 and 2023, if the property market were to collapse, if property values fall to secure sufficient borrowing and if the rent increase reduces (Ateb, 2019).

Technological forces: organisations need to facilitate new ways of working, introducing newer products or services hence the need to proactively manage technologic advances and communication are essential. Technology and competition always exist; organisations need to adapt and be innovative to retain their customer base. NOKIA were dominant in their market however, experienced a downfall seeing market shares plummet after not adapting to the launch of smartphones by Apple (Khan et al., 2017; MSG, ND).

By utilising intelligent service design and technology Ateb's front and back office could see savings with operational costs, whilst remaining competitive providing a platform for customer-focussed delivery (PWC, ND).

Ateb is seeking cloud technologies enhancing mobility technology; if Ateb stands-still customers could chose to rent from other housing association providers, if Ateb does not remain competitive a merger with other neighbouring housing associations' is likely.

Internal drivers: deemed easier and are more predictable organisations have more control than external drivers like; changes in personnel, management, restructures, new business model, work process changes, organisational re-design, outsourcing, redundancies, changing income streams and technology infrastructure (Mullins, 2013; Rees and French, 2016).

Staff changes: Ateb needs to strengthen its capacity and capability with data collection by quality insight and intelligence job roles. Housing associations are using segmentation techniques to grasp needs, behaviours, preference and demands of their customers (PWC, ND). Ateb is currently advertising a Business Analyst role to remain competitive.

Ateb's housing department recently restructured after process-mapping many of its processes. This saw the creation of jobs in Compliance which through the process was identified as a major risk with regulators and new job roles and responsibilities were created (Ateb, 2019).

Changing income generation: Ateb is looking beyond its transactional services exploring complementary and commercial services to diversify (PWC, ND).

Technology changes: changing processes and sequence of working to become more efficient and accessible (MSG, ND).

Ateb is developing a strategy fit for the digital age. It is envisaged an App will be introduced and online chat instead of cumbersome emails, telephone and face-to-face contact to report repairs, take online payments, be more accessible and make appointments with personnel. More user-friendly technology will be sought making it easier to work from home achieving workplace agility.

Enablers	Hinder
Change-ready culture	Strategy
Organisational structure	Culture
Agility	Organisational structure
Flexibility	Lack of planning
Good communication	Poor communication
	Resistance

Culture, structure, expected reactions and the environment are all factors which enable and hinder change. Culture of an organisation can be receptive to a new initiative or changes but can also be a blocker depending on whether it is aligned with the change (Enclaria, ND).

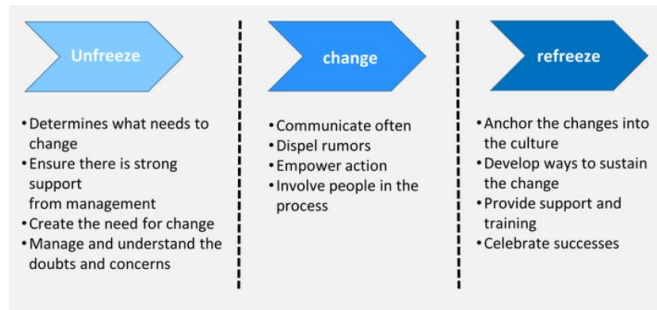
Enablers: Organisational culture and processes must enable employees to work in new ways and acquire new skills. Collective change-readiness and change-capability teams are essential for an agile organisation embracing new ideas, new ways of working, display honesty, openness, reflection, share knowledge and the ability to learn from one another. Spotify and Netflix were born agile whilst organisations with traditional hierarchies must focus on sustaining agility via employee engagement and innovation (Holbeche, 2018).

Changing an organisation's structure can enable change and be necessary for a number of reasons including adapting to new service demands, implementing a new strategy, preparing for new business growth or a change of management (NIBUSINESSINFO, ND).

Hinders: Changes that occur which do not consider how it links to the strategy,

structure and systems are likely to fail like introducing a new structure if new processes or systems to support the change are not considered. Lack of project management such as planning the process and the time which is needed to produce the outcome together with relevant training and the leadership skills required can also hinder effectiveness (CIPD, 2018).

Resistance by individuals or groups can undermine change and can either block or disrupt change, for example withholding information or via strikes. Resistance can be towards new technology or a reward system which can create uncertainty, shock or fear of the new system. Resistance can occur with a process of change such as a re-structure and failings in this process such as lack of consultation or loss of control. Poor communication is another key factor if changes are imposed this can face employee resistance (CIPD, 2018).



LEWIN'S THREE-STEP MODEL

There are many models; not one which perfectly fits, it is a starting point to design. When choosing, identify a close-fit conducting a situational assessment, identify blind-spots and find a secondary model to assist when modifying (SHRM, 2015).

Lewin's model identifies stages by managers in the change process focussing on informed decisions and interventions on psychological aspects of behaviour.

It acknowledges resistance to change is inevitable, it supports new behaviours and recognises people as key to change and learning. Lewin's Force-field analysis considers driver's like internal and external forces playing a part in resisting change, supporting the status quo and encouraging change; when drivers are equal they cancel one another resulting in equilibrium however, when drivers increase or decrease the change will move to a new state (Rees and French, 2016).

Managers' use this as a mechanistic approach like a planning tool; unfreezing is the planning stage, movement relates to the implementation and refreeze as post-implementation (Cameron and Green, 2015).

It is good when a complete overhaul is required and uncovering hidden mistakes due

to analysing every aspect of the change. It is time-consuming, requires investment and risks alienating the workforce due to the massive change therefore, supporting your team's emotions is paramount to keeping them on-board (Mulholland, 2017).



KOTTER'S EIGHT- STAGE MODEL

Kotter's eight-stage model focusses on people and identifies failures in Lewin's model at the refreezing stage, encouraging the development of attitudes and values helping to promote behaviours required to support change (Rees and French, 2016) and is a design, enact and sustain model.

This model addresses: power issues; making change happen; the importance of 'felt need' change; and emphasises the need to communicate the vision. It appeals to managers as a means of creating energy, followed by delegation and distance. Managers lead on 'urgency', 'power' and 'vision' in the early stages and from stage five 'plan', 'consolidate' and 'institutionalise', managed by others. This model is useful when planning mergers, acquisitions or small to large-scale change. Modern models often have parallels to this model however view change as continuous cycle (Cameron and Green, 2015).



POSITIVE WORK RELATIONSHIPS

CIPD (2018) reflect maintaining positive relationships by: actively encouraging employees to question and make sense of their situation; through employee voice; narratives and storytelling to help understand and translate change into actions; building trustworthiness and integrity in the design and administration of processes and systems; and by maintaining momentum and energy throughout the process.

HR need to demonstrate situational judgement and moral integrity to leaders and employees alike, by doing so will create long-term sustainability. HR are critical to ensuring job satisfaction is maintained reducing psychological uncertainty, minimising stress by connecting leaders ensuring visibility and communication; fostering trust, fairness and employee engagement (CIPD, 2018).

Line-managers should work with the HR function in the effective development of change, controlling how the process is designed and implemented, aligned to the strategy and by uncontrollable factors such as how individuals react. HR operate vertically and horizontal therefore, they are in a unique position however, involvement is mainly prior to implementation and less so during and after implementation. The Kubler-Ross model is useful recognising the impact on employees' to manage their emotional reaction, it can let you know where the

biggest problems lay and those most resistant to change (Mulholland, 2017; CMI, ND; SHRM, 2015).

Setting up a change champion teams involved in designing and delivering the change determining the benefits and communicating to their teams is advantageous (CMI, ND).

Work with Unions these are a major stakeholder remembering; they will want the buy-in; building trust only negotiating when necessary; and make provisions for employees to participate in the change (Enclaria, ND).

Modifying your own behaviour and mind-set will make a significant difference to managing successful change. The 4Es principle of human change delivers a cyclical change model allowing behaviours and mind-sets to complement one another building skills and outlook required to deliver it:-

Educate: taking people on a change journey with the fight or flight response thus aiding the person to learn and understand rather than train and instruct.

Engage: two-way dialogue allowing emotional and intellectual buy-in. Thus the logical mind-set; who, what and why together with the emotional; job satisfaction and personal values.

Empower: senior management to release the command control systems and to restructure processes and systems setting the right conditions for effective delegation, trust, setting appropriate boundaries and expectations allowing employees to take ownership and responsibility for delivering change.

Enable: building the right environment, removing barriers giving employees to find solutions.

(Geraghty, 2019).



Communication is key to ensuring people do not become confused, fearful and make assumptions thereby likely to demonstrate resistance. Clearly communicating internally the vision for the future and making a compelling case of what this means to the employee thus engaging the change is essential. The HR's role is to apply appropriate communication methods and a holistic communication plan during any change initiative, monitoring the effectiveness of these channels periodically including:-

Top-down channels allows accurate information from leadership to employees implemented from an early stage via formal meetings or regularly sharing information via the presentations, the intranet, corresponding by letter, team and line-manager meetings or using newsletters.

Bottom-up channels demonstrating employee participation and scope for idea generation achieved via workshops and collective consultation.

Two-way discussion holding one-to-one's or on an individual basis with HR when change may have personal implications.
(Wilkinson and Taylor, 2016)

HR must demonstrate stakeholder awareness having the ability to influence across all levels meeting objectives. Not only do they have to ensure senior management communicate with employees, it is essential that line-managers communicate and coach effectively. HRD interventions like coaching and mentoring employees who find the process difficult, as well as training and development including identifying skills gaps and giving employees' opportunity to adapt and change can assist (Wilkinson and Taylor, 2016).

All stakeholders will expect honesty and up-to-date information both positive and negative detailing: scope of the change; its nature; those affected; whether re-deployment; retraining or training is envisaged; whether working patterns will alter; proposed timing of implementation; any benefits or adverse effects and what impact, any risks and impact on work/life. Information may need to be explained several times using different mediums of communication and presentation styles to help convey a message. Those conveying the message must have the ability to listen; explaining processes and allowing two-way communication ensuring opinions and concerns are heard. HR and line-managers must demonstrate empathy for stakeholder reactions and have the ability to ensure stakeholders awareness, understanding, acceptance and commitment towards the change (Wilkinson and Taylor, 2016; MSG, ND).

To support a change-ready culture and embed the values and success of the change it is important to publicise success stories whether it is in respect of the organisation's performance or individual success like demonstrating the right attitude or what they have gained from the process (Wilkinson and Taylor, 2016).



SHRM (2015) reflect designing, enacting and sustaining change should be explored when implementing change:

Designing change: clearly define change ensuring it is for the right reasons from start to finish. HR should continually check whether the change fits the organisation's goals not solely at the start. If the change team are not alerted to blind spots they limit options before truly considering them.

An overconfident team can fail to view contingencies when planning, underestimate time required to execute the plan and ignore data pointing to possible failures. Good quality data demonstrates competency gaps and should be collected from a range of sources, if data is disregarded it can hinder the current state of affairs.

Lack of data, overconfidence and limited mindsets can hinder key stakeholders outreach thus the change team own biases will not be identified. It is therefore good practice to conduct a current state assessment; design change for the future not just the present and create actionable and realistic goals.

Enacting Change: this is long-term commitment where employees must be receptive

and the change team properly prepared therefore leadership at this stage should include budgeting skills, motivation and change management skills.

HR should ensure the change team have appropriate capabilities like skills, knowledge and are equipped to lead. This will mitigate risk and speed-up the process by utilising an expertise inventory early in the process.

Employee lack of readiness can lead to ambivalence or disinterest which at times can be incorrectly viewed as resistance.

Understanding organisation's routines can slow or prevent change from occurring. Understanding why routines exist and how they relate to change can help employees focus on changing relevant behaviours.

Focus should be on reward systems and encouraging employees' own belief aiming to shift behaviours and motivate.

Employee withdrawal during change is a challenge therefore identifying the organisations' past history with regard to previous change success and failure is important as the change team can envisage how change will be accepted.

Sustaining change: over time the internal and external environment shifts and the change must be adapted. The change team may have disbanded and HR alone will be tasked with aligning the aims of the change are still being met. HR depending on the change can focus on data analysis, monitoring the outcome like with a technological change tracking initial success and gauging whether it can be replicated. Short-term and long-term change can be hindered by removal of resources as change becomes the status-quo or by replacement of leaders who were not part of the initial change who may want to implement their own ideas.

Created by:

Date

Version

Change Plan

Vision & Objectives	How to achieve objectives	Business Case	People affected	Scope of change	Roles - team, sponsors etc	Communication strategy	Support - advice, counselling, training etc	Timings	Resources - equipment, people etc	Monitoring activities	Success measures

EXAMPLE: CHANGE PLAN

With no set template, key elements include: current state; future state; address gaps; impact on people, processes, systems, technology and organisation; stakeholder impact; timings; key risks; roles affected; communication strategy; training; leadership requirements; and alignment.

BEST PRACTICE

Prosci (ND) reflect best practice as:-

Mobilise an active and visible executive sponsor: a positive leader who participates, is active, champions the change, motivates others, influential in decision-making aligning priorities and is accessible throughout the transition.

Dedicated change management resources: has appropriate resources and access to funding to achieve the outcome and experience in change management.

Structured change management approach: ensuring the process stays on track identifying gaps throughout the change lifecycle allowing processes to be repeated for consistency on other initiatives throughout the organisation.

Engage front-line employees: employee engagement and participation demonstrating the willingness to collaborate and administrating the change.

Communicate frequently and openly: communicate expectations, long-term plans, impact on employees and organisational drivers frequently and transparently.

Integrate and engage with project management: aligning change plans, assigning roles and responsibilities, provide change management training and working collaboratively.

Engage and support middle managers: managers are closet to employees going through change and should be involved early on. You can communicate by holding one-to-one's and team meetings building awareness, detailing how it will impact your team, explain the business reason and the negatives to change.

EVALUATING

Prosci (ND) cite measurement covers; organisational and individual performance and the change management performance. Data can be sourced using a variety of methods:-

Assessing impact: interviews, focus groups, surveys and questionnaire, process mapping or force field analysis.

Communication and engagement: stakeholder analysis, “what’s in it for me’ or through brainstorming solutions.

Assessing readiness: change readiness and risk assessments.

Meetings and feedback: facilitation, brown bag lunches and Q&A sessions.
(DanielLock, ND)

Two methodological approaches can be taken, quantitative mainly questionnaires and qualitative mainly interviews.

Questionnaires and surveys identify stakeholders’ expectations, measuring

satisfaction determining ways to improve. Advantages: saves time rather than interviewing or holding focus groups; spans a diverse group; collects data on a larger scale; can integrate into an assessment and can be used as an improvement approach. Disadvantages: people get tired of surveys; usually those who respond are often negative therefore biased; and they must be designed and constructed properly (DanielLock, ND).

Focus groups are useful for small stakeholder groups usually across all levels of the organisation ascertaining experiences, preference, opinions or reactions.

Advantages: real-time questioning; groups self-sanction when issues are raised views from others can confirm or deny; participants can be grouped by department, age, job groups. Disadvantages: nervousness of expressing opinions openly, vocal employees' can dominate, recent events can colour the subject (DanielLock, ND).

SUMMARY

There are many models of change and these should be explored deciding on which one works specific to the situation. Key areas to establish: agree strategy; timeframes, implementation plans, management of programmes, communication, participation, personalise the change, be prepared for conflict, motivate employees, develop skills, maintain momentum and evaluate (CMI, ND).

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