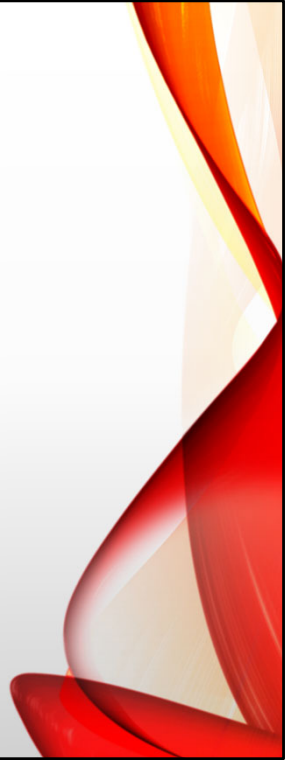


# **Understanding the Management of Change in the Organisation**

Ruth Taylor





## **Learning Outcomes**

1. Understand key principles, theories and models relating to change management in organisations
2. Understand the importance of communication and relationship management within change processes
3. Know how to plan, implement and monitor change processes

# What is change management?



- Constant and complex
- Systematic and structured
- Uses tools, resources & knowledge
- Effected by internal & external drivers

Change management focuses on moving from position A to position B, with the effective management of the processes in between (CMI, 2020). It is constant and complex (CIPD, 2020) and is defined as a systematic and structured approach, which uses tools, resources and knowledge, taking into account internal and external drivers that effect the organisation (Society of Human Resource Management (2016, quoted by Rees and Hall, 2016). Managing change requires understanding how people experience it and supporting them through it (CIPD, 2020). Change can be driven by both external and internal factors.

# External Drivers for Change

**Political – funding, accountability, agendas**

**Economical – consumer spending, interest rates**

**Social – demographics, lifestyle changes, religious differences**

**Technological – social networks, digital advancement, R&D funding**

**Legal – employment legislation, trading policies, Acts**

**Environmental – waste management, emissions**

Rees & Hall (2016)

Rees & Hall (2016) discuss the PESTLE framework to identify external drivers for change. A Healthier Wales (Welsh Government, 2018), the Wellbeing of Future Generations (Wales) Act 2015 and the recently published Our Workforce Strategy for Health & Social Care (HEIW & SCW, 2020) are examples of political drivers for change, endorsed by the Welsh Government. NHS organisations in Wales are accountable and must be seen to manage change in line with the expectations set out, in the agreed timescales.

The way people are using technology has changed considerably over recent months, impacted by the COVID-19 pandemic. McKinsey (2020) discusses how the pandemic has necessitated businesses to look at innovative ways to engage with their stakeholders, customers and employees, with a rapid shift towards the use of digital technology.

Environmental factors - Prosperity for All: A Low Carbon Wales (Welsh Government, 2019) sets targets to public sector organisations to reduce their emissions. This is supported by the Environment (Wales) Act 2016, a legal driver, and the need for these organisations to enhance biodiversity and the resilience of ecosystems.

# Internal Drivers for Change

Organisational culture

Restructuring

New technology and systems

Policy changes

TUPE transfers

In contrast to external drivers, internal drivers are typically management decisions, aimed at holding control over achievement of certain performance outcomes (Rees & Hall, 2016). Internal drivers include restructuring to enable the organisation to meet the challenges of the future. Change can be proactively managed to stay ahead of competitors (Management Study Group, 2020).

An example of an internal driver is the TUPE transfer of Cardiff University staff into HEIW (HEIW, 2018a). This involved changes in base, reporting structures and policies. There was also the necessity for staff to learn new technology and build a positive working culture, in line with the new organisational behaviours (HEIW, 2018b).

# Barriers to Change

## Resistance

- An individual or group who attempt to disrupt or block the change process.

CIPD (2020)

### Level of Resistance

Level 1 – Information

Level 2 – Physiological & emotional

Level 3 – Bigger than the current change

NHS Improvement (NK)

CIPD (2020) explains 2 reasons for resistance to change:  
the change itself, eg new technology or policy  
the implementation of the change, eg. failing to consult with staff on restructuring or redundancies.

NHS Improvement (NK) 3 levels of resistance

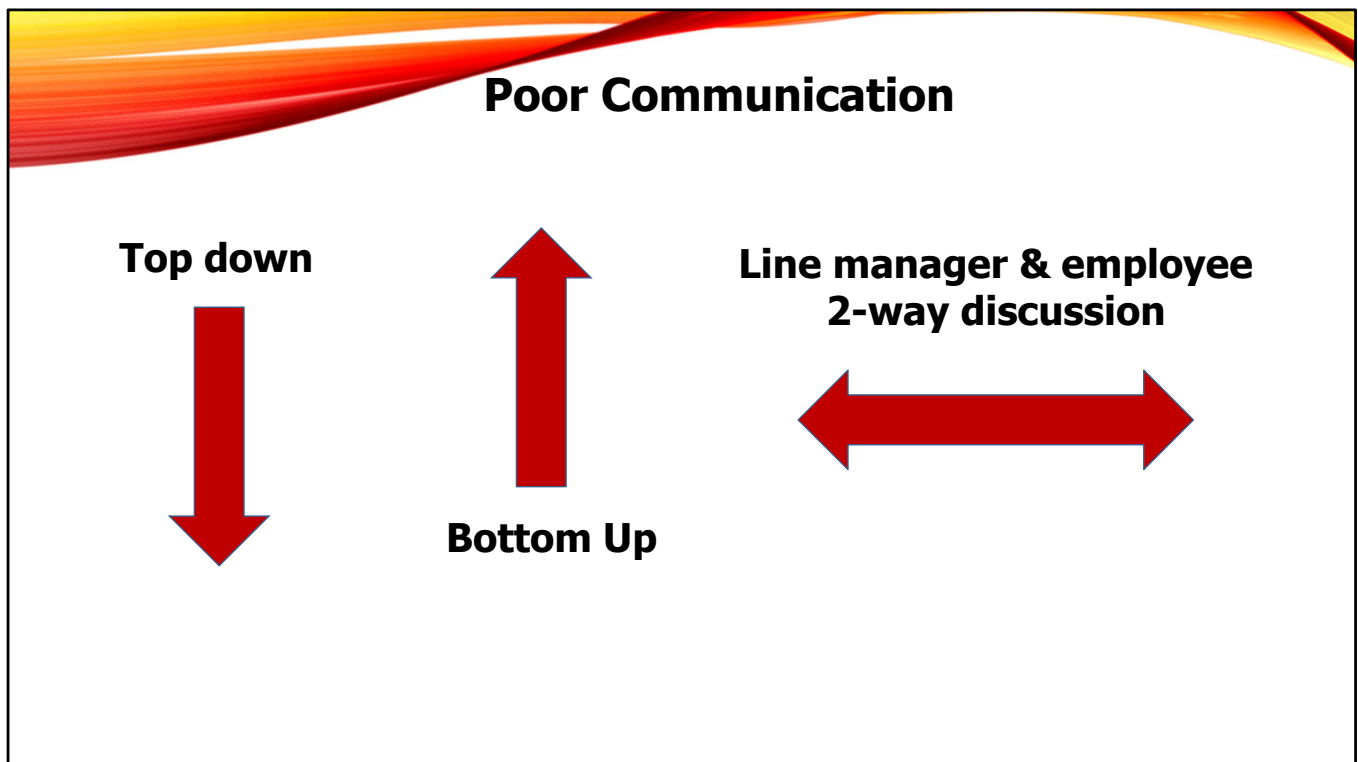
Information – lack of information, understanding and/or involvement, disagreement

Physiological and emotional – emotional reaction experienced individually or collectively

Individual - fear of losing control, job and/or benefits, change in base, promotion/demotion

Team – change in team purpose, team dynamics, change in processes

Bigger than the current change – resistance to the implementer, e.g. manager, can be due to troubled history, differing values, or who they represent, i.e. TU v managers, cultural or personal differences.



Failing to communicate effectively with all involved can be a significant barrier to implementing change. Failure to communicate the rationale for the change will hinder employee understanding, cause confusion and increase resistance.

Failing to recognise the appropriate channels for communication will hinder change management. Communication not involving the dissemination of accurate information from the top down, failing to recognise the importance of employee participation and voice and poor engagement between line managers and their staff to understand personal impact, will all cause a significant barrier to change.

Wilkinson & Taylor (2016)

# Enablers of Change



## Line Managers

- Key enablers of change
- Can provide support and information bespoke to individual circumstances
- Have an understanding on how the change will effect day to day activity
- Can create a positive vision for the future and how it links with teams and organisational goals
- Connections
- Motivators

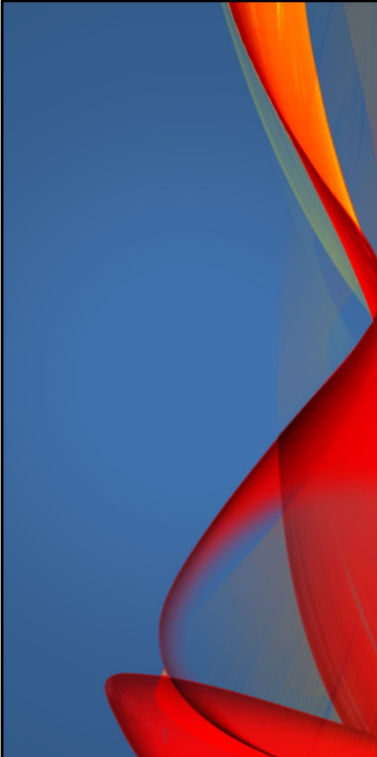
Line managers are key enablers of change. They can provide support and accurate information to their staff, personal to how the change will affect them and their circumstances. They are also best placed to advise the organisation on how the change will impact day to day activity and the potential barriers that may be encountered (Chamberlain, 2010).

ACAS (2014) explains how managers can create a positive vision for the future and understand and demonstrate how it links with team and organisational goals, which can encourage buy in.

Ball (NK) discusses how line manager connections are an essential enabler for change. They understand the people, projects, processes and desired outcomes that underpin a change process and are the key influencer between senior leaders and employees, with the ability to translate accurately senior management direction to employees and employee viewpoints to senior managers. They understand the impact a change can have on other projects and activities in the organisation and understand how one may affect the other.

Line managers are critical to effective change and their role as a motivator in this

process is essential. They understand their staff and know how to communicate the information in a tangible, relatable way and are key to ensuring their teams remain motivated to see the change through (McKinsey, 2017).



## Change Ready Culture

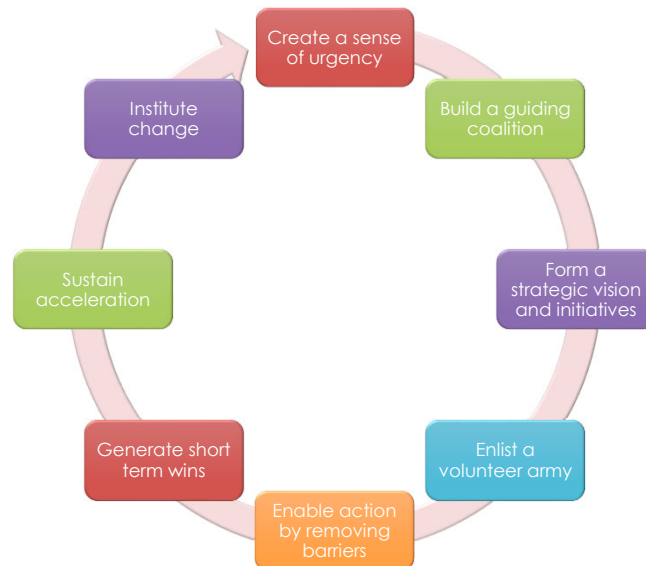
- Change is thoroughly planned and involves all effected
- Purpose, goals and potential benefits are clearly communicated
- Potential difficulties and disruptions are understood
- Openness when implementation problems arise
- Negative concerns and feeling are listened to and respected
- Difficulties are addressed and resolved quickly and effectively
- Prior changes have proved successful
- Time is taken to reflect when things do not go to plan
- Success is celebrated

Wilkinson & Taylor (2016)

A change ready culture can be based on experiences of previous changes. Wilkinson & Taylor (2016) explain that if employees agree with the above 9 statements relating to prior change, the organisation is likely to have a change ready culture, where resistance to new change is likely to be lower. For organisations undergoing their first significant change, the list above is useful and organisations should build these points into their change plan, ensuring clear rationale for change and opportunity to listen to staff concerns and offer support.

Mac (2020) discusses how change ready organisations need to be resilient, agile and understand that new, small changes are the norm. This requires a business strategy that embeds techniques and tools for understanding, prioritising, measuring and managing the impacts of change at the highest level.

## Kotter's 8-step process for leading change



Kotterinc.com (NK) sets out an 8-step process for the successful implementation of change. This model allows organisations to take a structured, planned approach to change.

### **Urgency**

Assist others to identify the need for change and communicate the need for it to be acted on promptly. Kotter (NK cited by Mindtools.com (2020) recommends that at least 75% of management need to support the change for it to be successful. Significant effort needs to be applied at this stage.

### **Guiding coalition**

Bring together a strong team of people to lead, guide, coordinate and communicate the process. These need to be influential in the organisation, from different levels and departments and have different expertise and viewpoints. (Mindtools.com, 2020).

### **Strategic vision and initiatives**

Explain how the future will be different and link the reality of the future to initiatives directly linked with achieving it. A clear vision will help people

understand why the change is happening and what it will achieve (Mindtools, 2020).

### **Volunteer army**

Identify a number of individuals to promote the benefits of the change, this will bring people on board and start a movement of positivity towards the change.

### **Remove barriers**

Remove hierarchical structures, inefficient processes and silo working to provide freedom and generate impact.

### **Short term wins**

Communicate the achievements throughout the change process frequently to praise contributions and encourage continued buy in and support.

### **Sustain acceleration**

Organisations must continue to build on the small successes and ingrain the change into their culture, objectives and values and continue to strive for improvements and further successes. (BusinessBalls.com, 2019)

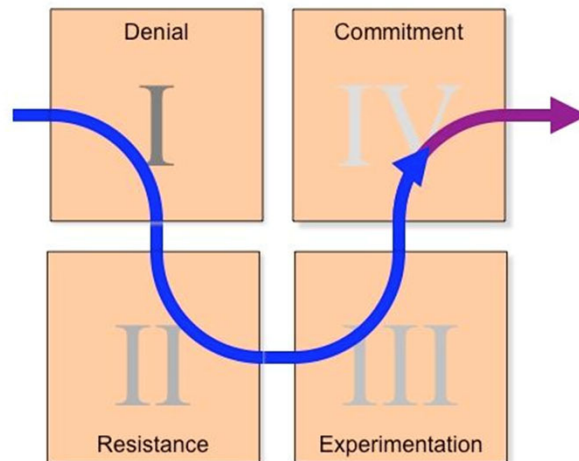
### **Institute change**

Demonstrate how the new behaviours link with organisational success, and ensuring they continue to do so until they become the norm.

Line managers are responsible for embedding the change within their teams and altering the behaviours and standards to ensure sustainability (Businessballs.com 2019)

GoodPractice (2017) criticises some elements of Kotter's model in that it is a relatively rigid process, with each step being followed in order, with little overlap. It does not account for unexpected challenges that may arise and therefore it is important that flexibility is incorporated into the plan. There is also criticism around the lack of detail within the process, particularly relating to people and the likelihood of resistance and how this could be managed.

## DREC CYCLE



Galliard (2015)

In contrast to the Kotter model, the DREC cycle of change focuses on the typical behaviours and emotions that can be anticipated by organisations and demonstrated by individuals during the change process. Understanding these reactions will help manage the change process and support employees through it.

Inability to understand the change, picture it or foresee it – “this will never happen”

Can take a variety of forms – slow uptake, blatant avoidance, passive resistance – forgetfulness, continuing mistakes to undermine new processes.

Start to try out new concepts, practices and processes. Organisations must recognise the need for each individual to do this.

Wider acceptance of change with no further need to justify

Each stage will encounter different levels of behaviour depending on the individual and effective line manager support to work through the various stages is crucial.

(Galliard, 2015)

This method could be used alongside the structured approach outlined by Kotter, to support employees emotionally through the process and provide insight as to where issues may arise.

# Stakeholder Engagement

## Influence & Control



## Those effected



Employees



Customers



Communities

### Communication Plan (ACAS, 2014)

- Identify audiences
- Specific key messages
- Tactics and channels
- Continuous review

Wilcox and Jenkins (2015) define two types of stakeholder – those who have influence and control over the process and those who are affected by it. Both types require bespoke support and communication.

Types of stakeholders are listed above, but it should be noted that these are interchangeable depending on the origin of the change – eg. change influenced by government, could directly affect a CEO of an organisation and employees could influence change, supported by trade unions.

To positively engage with stakeholders, it is recommended that a stakeholder analysis is carried out to identify the communication needs of each and the support required. This is also an opportunity to identify any potential barriers that may impact progress. The analysis allows the identification of what type of communication and frequency stakeholders will require. Some will only be involved in certain aspects and only require information relating to their specific interest, whilst others will require more regular updates across the entire process. Communication needs to be pitched at the individual stakeholder and their specific needs and involvement in the process.

Panorama Consulting Group (2020)

ACAS (2014) recommend the completion of a structured communication plan. This helps to identify the key stakeholders and what information they will require related to the process and how it will be shared. It is recommended that the process is continuously reviewed and dialogue with stakeholders is maintained to identify any barriers and look at how they can be overcome. Methods of communication include a high street store sharing details about a change in claiming promotional offers via their social media channels or a CEO issuing a staff bulletin to staff.

## Positive Relationships

- **Clear rationale for change**
- **Communication**
- **Anticipate reactions to change**
- **Trust**



Positive working relationships are essential for a smooth change process. Both Kotter and Lewin's change models emphasize the importance of clearly explaining the rationale for change and explaining why it will have a positive impact on the business. Providing stakeholders with this will help them understand why the change is happening and how it will affect them and how they can contribute (Kotter, 2020 and Study.com, 2012).

Communication plays a pivotal part throughout the whole change process. Throughout all stages of Kotter's 8 stage model, communication is key, whether it is outlining the reasons for change, driving processes forward or celebrating the small successes along the way. Keeping stakeholders informed throughout the process as appropriate will assist the transition.

The DREC cycle provides organisations with insight into potential reactions demonstrated by employees during the change process. At each stage, it is important that organisations provide support, tailored to individual need. This could include counselling, mentoring, representation and access to FAQs. An emerging approach to supporting employees is compassionate leadership. Michael West has undertaken a great amount of research into the benefits of this

approach, specifically in healthcare, but these can be applied to any sector. This style of leadership involves a sensitivity to the challenges faced and a commitment to help individuals respond effectively to them. This approach can be applied to supporting employees through the change process.

#### Principles of compassionate leadership

listen with fascination  
a shared understanding of the problems faced  
empathy  
providing action to support.

#### HEIW and West (2020)

Providing individuals with a clear understanding of why, when and how a change will happen and impact them will support employees through the process. Ensuring good support mechanisms are in place to support them at each stage is also paramount. These approaches will help build and maintain positive relationships.

Trusting relationships are essential in the change management process. If those effected by the change do not trust their leaders, change is more likely to fail with less buy in and effort to make the change a success (Conley, 2020). To build trust through the change process, Conley recommends being realistic and not to over-promise on the benefits of the change and efforts associated with it. If expectations are not met, trust will be lost and future change can face greater resistance. He also recommends openness and transparency, sharing information broadly and admitting when answers are not known. Stanford (2017) discusses how trust should be evident everywhere, not just when something is changing. Having a trusting organisational culture from the outset will lead to less resistance as employees will have trust in their leaders to be making the right decisions.

# Change plan



CMI (2014)

Roberts (2016) discusses the Assess, Design, Implement, Embed/Evaluate (ADIE) model and how this can be applied to organisation development. The DIE elements can be used in a change plan, as assessment will have already identified the case for change. CDI (2014) breaks down each stage into elements. The elements included in the design phase, allow implementers to consider what should be in place before the plan is implemented.

## Design

Development of detailed plans that outline the approaches to be taken to implementation.

Who will be involved?

Who will be key influencers (guiding coalition, Kotterinc.com, NK),

When will it happen and how long will it take?

Identification of milestones, contingency plans, potential barriers

Clear communication plans

Robust project monitoring in place

## Implementation

Clear communication through appropriate channels and tailored to need

Consultation with employees to reduce stress (awareness of DREC emotions) and provision of support

Line managers personalise the case for change to individual employees/teams in a relatable way and how they will be impacted specifically.

Be prepared for conflict and resolve quickly. Encourage open conversations from the outset. Persuasion and negotiation may be required, but not undermine the change itself.

### **Embed**

Celebrate the small wins (Kotterinc.com, NK) and recognise the achievements of individuals and the organisation.

Continue to develop skills and knowledge to enable change requirements – training, mentoring, coaching

Continuous reinforcement of change success and contribution from employees

Continuous monitoring against milestones, making necessary adjustments along the way

Continue to engage with employees throughout the process

This change plan incorporates a number of best practices, including Kotter's 8 step process, ACAS' communication guidelines, the DREC model and Burke-Litwin's model of change and the necessity for employees to have the appropriate training and skills in order for them to fulfil the change requirements.

# MONITORING AND ASSESSING IMPACT

## Quantitative

Workforce KPIs

- Sickness
- Retention
- Sales
- Performance outcomes



## Qualitative

- Consultation
- Pulse surveys
- Focus groups
- Interviews

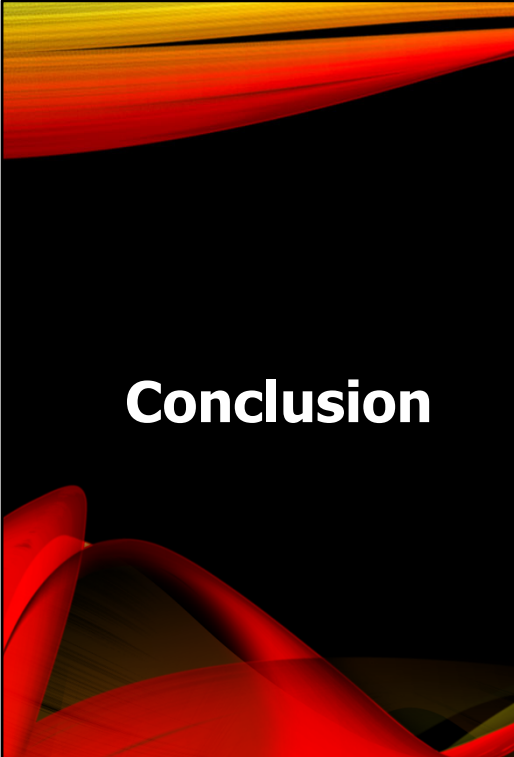


Effective change management monitoring should measure outputs, outcomes and benefits. This can be done both quantitatively and qualitatively. Quantitative measures allow for the identification of trends and performance outcomes and can see how these change during the different stages of the change plan (APM, 2017). These are usually generated electronically via software systems, eg sickness rates, retention, profit. An example would be monitoring sickness levels following the implementation of a proactive sickness policy or increased retention following a change in organisational culture.

In contrast, qualitative measures take a more holistic approach and allow the collection of thoughts and feelings about a situation (Anderson, 2009). They can be used to support quantitative measures by helping organisations understand the reasons for what the quantitative data is telling them.

A pulse survey is a qualitative method for monitoring change and the impact it has on employees and the organisation. They enable quick collection of data and easy comparison and measurement of changes, such as behaviours and staff feelings. They allow organisations to act quickly to feedback and make adjustments if needed. (Gartner.com, 2018).

It is important that both approaches are used to complement each other throughout the process. This allows for the establishment of a baseline and the opportunity to monitor positive or negative impacts throughout, allowing plans to be adjusted, communication methods to be changed or further support provided.



# Conclusion

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## Best practice

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Clear understanding of vision, purpose and benefits

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Structured approach

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Awareness of employee behaviour and emotions

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Employee involvement

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Effective communication tailored to need

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Positive relationships based on trust and transparency

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Appropriate support mechanisms

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Appropriate monitoring of progress and success

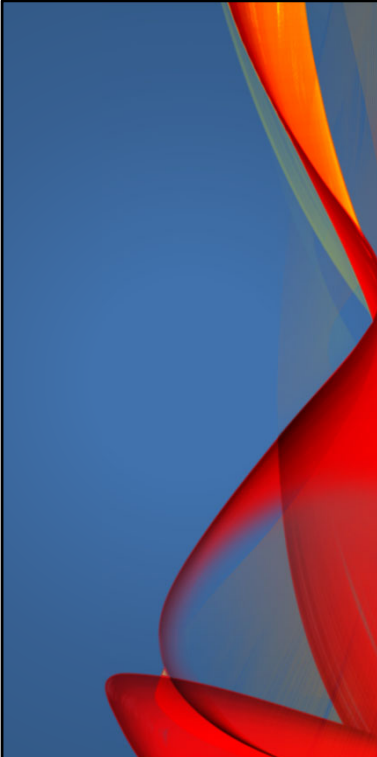
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Adaptability

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Celebrate success!

All models examined highlight the importance of ensuring the rationale, purpose and benefits of the change are clearly communicated at the outset and employees are involved, listened to and supported throughout the process. Finally, success should be celebrated!



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