NZ Business Excellence Foundation

Change Management
An Integrated Approach

What do we mean by Change Management?

Change management is a structured approach to transitioning individuals, teams, and organisations from a current state to a desired future state

We want people to be

Ready, Willing, & Able

What to expect….

- Resistance to change
- Varied responses from
  - Different individuals
  - Different teams
  - Different parts of the organisation
- Periods of confusion and uncertainty
- Initial dips in productivity
- The project team / change management team is
  - Part of the process
  - Not above the process.

PROSCI 2009 Study

Greatest obstacles to change

- Ineffective change sponsorship from senior leaders
- Resistance to change from employees
- Insufficient change management resources and funding
- Middle management resistance

When Change Goes Right

(Hiatt and Creasey, 2003, from 3 PROSCI studies)
Greatest Contributors to Success:-

1. Effective sponsorship from senior management
2. Buy-in from front-line management and employees
3. Continuous and targeted communications
4. An experienced and credible team
5. A well-planned and organised approach

Conclusions:

- Employees need to hear about change from
    - the most senior person involved
    - their line manager
- Overarching vision and strategic direction needs to be translated into a local context

Getting ready for change

Aremenakis et al

suggest that the degree to which employees are prepared for change is influenced by the degree to which they are convinced that….

- *'a change is necessary the change could be implemented ...*

- *the change would be organizationally beneficial ...*

- *the organizational leaders were committed to the change ...*

- *and the change would be personally beneficial'*

Todnem

- Implicit Communication Strategy -Managers are in the same situation as the staff

- Planned or Emergent approach? - People prefer a mixed approach

Peter Senge

"People don't resist change. They resist being changed"

Successful Change Initiatives require

- An understanding of;
    - Individuals
    - Teams
    - Organisation and
    - Leadership
- And a Structured Change Approach

The Golden Rules

1. Make the current situation feel uncomfortable

2. Create a goal (vision) for the future that is
   – Clear and understandable | Desirable | Attainable

3. Create a guiding team
   – Expertise | Credibility | Authority

4. Communicate, communicate, communicate

5. Expect challenges, confusion and resistance

6. Pay close attention to problems
   – Listen attentively | Respect the people who raise the problems

7. Be prepared to change plans
   – To learn from mistakes | Build on successes

8. Use a robust project/programme management methodology e.g. PRINCE2

9. Plan for, and publish early successes

10. Take care to embed the change in the organisation
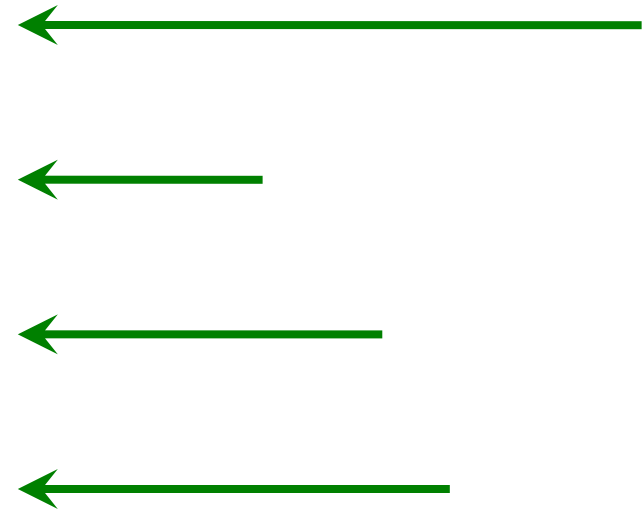
Lewin's Force Field Analysis

Homeostasis:-

The natural tendency for an organisation to maintain its state (equilibrium) in the face of disrupting changes
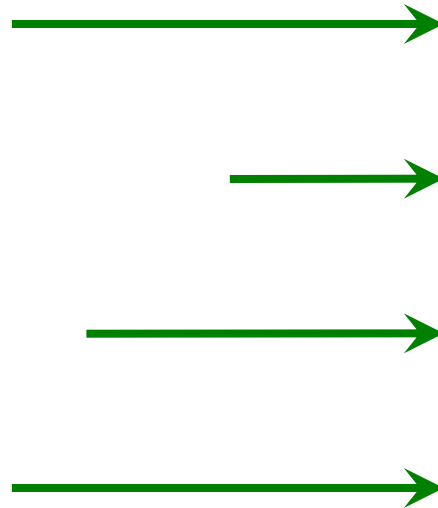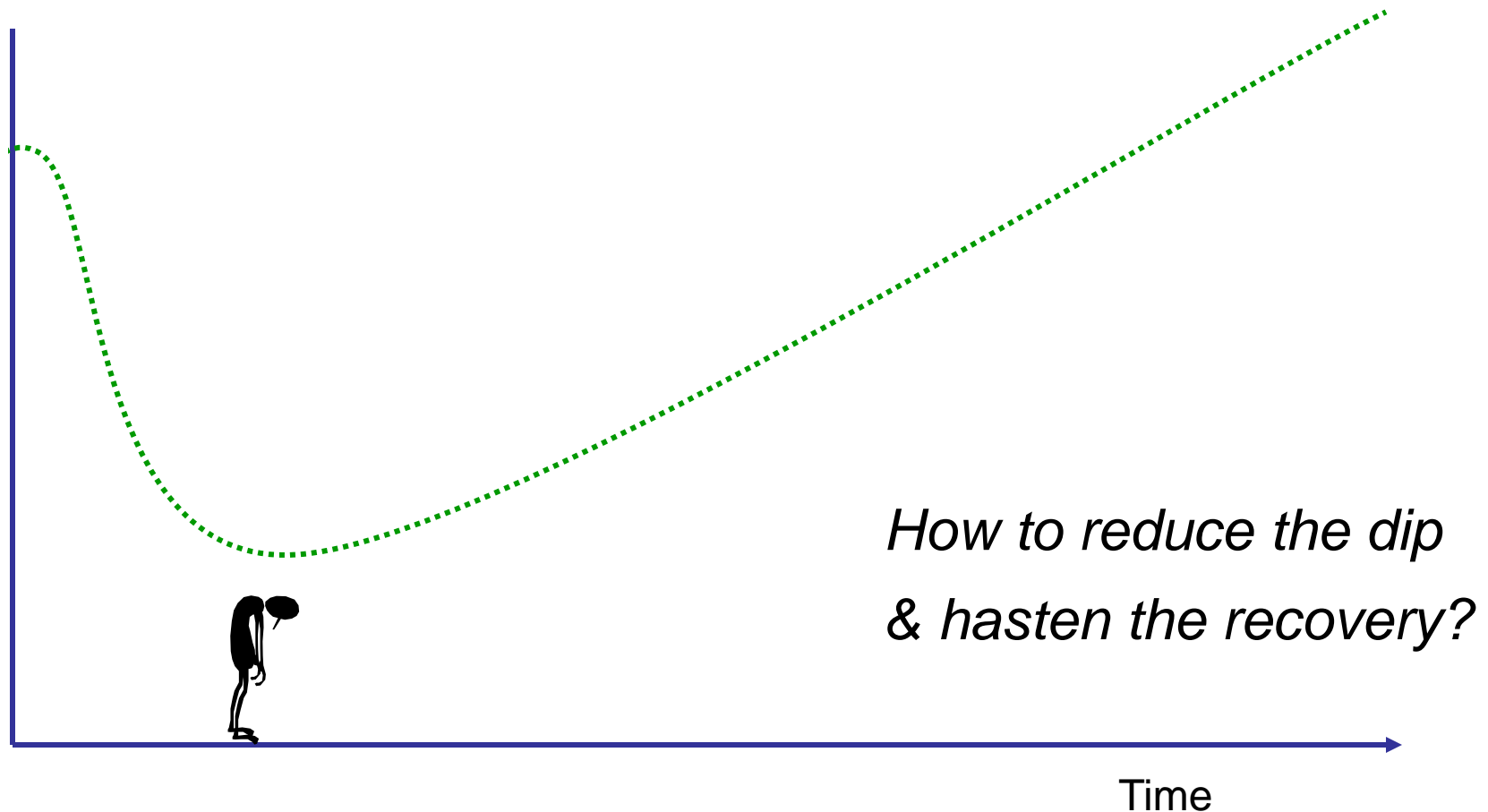
Driving forces for change

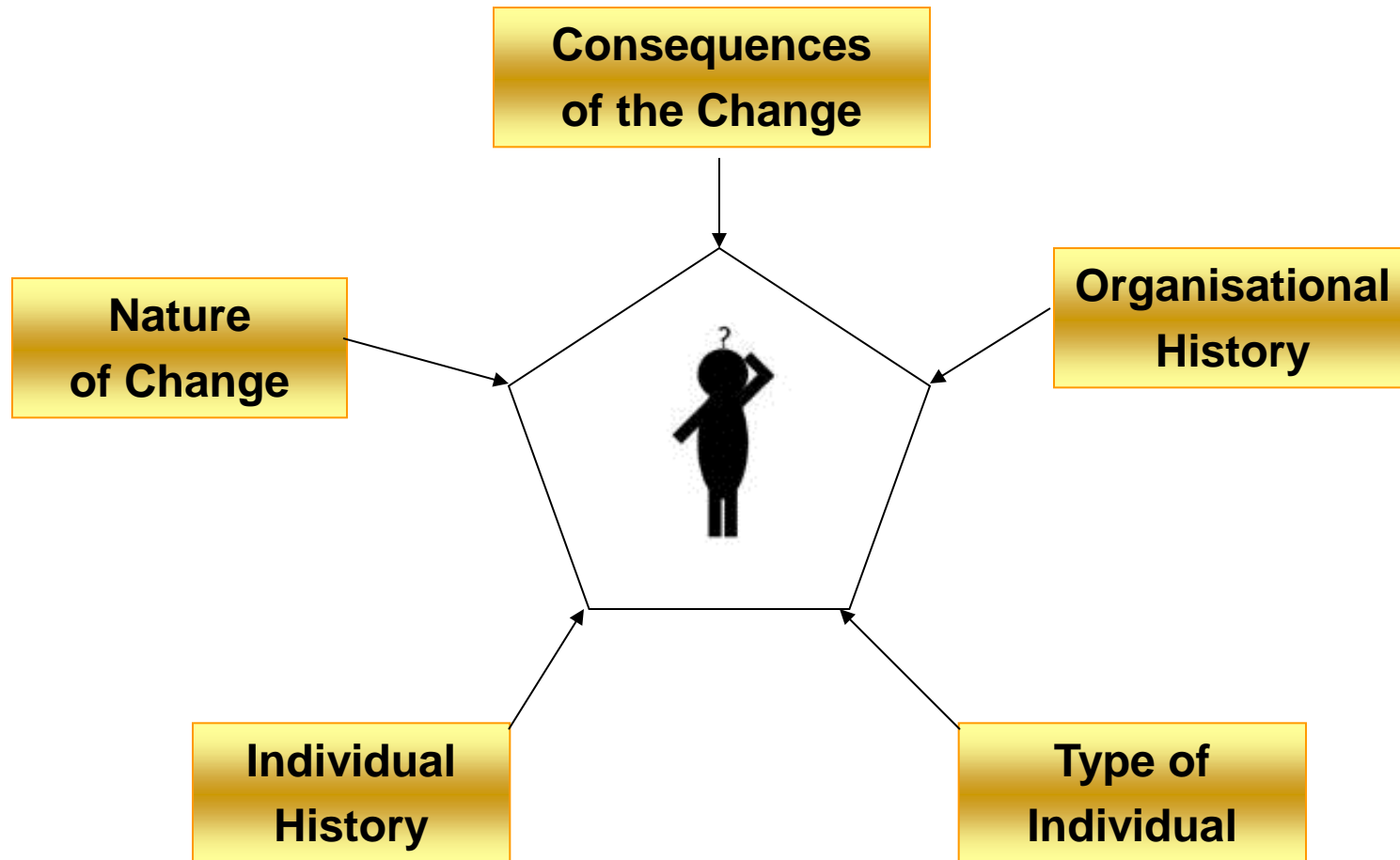e.g. better customer service, competitors already doing this

Forces opposing change

e.g. too expensive, will take a long time, we don't have the technology

The dip in morale and performance

How to reduce the dip

& hasten the recovery?

Time

Managing Change in Individuals - The Five Factors

Consequences of the Change

Nature of Change

Organisational History

Individual History

Type of Individual

Schein's – Resistance to Change

- ## Survival Anxiety
    - What if **I** do not change?
    - What if **I** fail to change?
    - *Can be used to "unfreeze"*

- ## Learning Anxiety
    - Can **I** learn new skills or behaviours?
    - Will **I** fail to learn?
    - Will **I** be exposed?

- ## Four associated fears
    - Temporary or permanent incompetence
    - Punishment for incompetence
    - Loss of personal identity
   - Loss of group identity

Schein - Overcoming resistance to change

- Survival anxiety must be greater than learning anxiety

- Decrease learning anxiety

- *Don't* increase survival anxiety

- Decrease learning anxiety by:
  - A compelling vision of the future
  - Positive role models
  - Formal training
  - Involvement of the learner
  - Informal training
  - Practice, fields, coaches, feedback
  - Consistent systems and structures

Integrating Change & Project Management

V7-2 Aug 2012

Bridges (1991) – Managing the Transition

Bridges;-

- *'Transition is about letting go of the past and taking up new behaviours or ways of thinking.*

BEGINNING

NEUTRAL ZONE
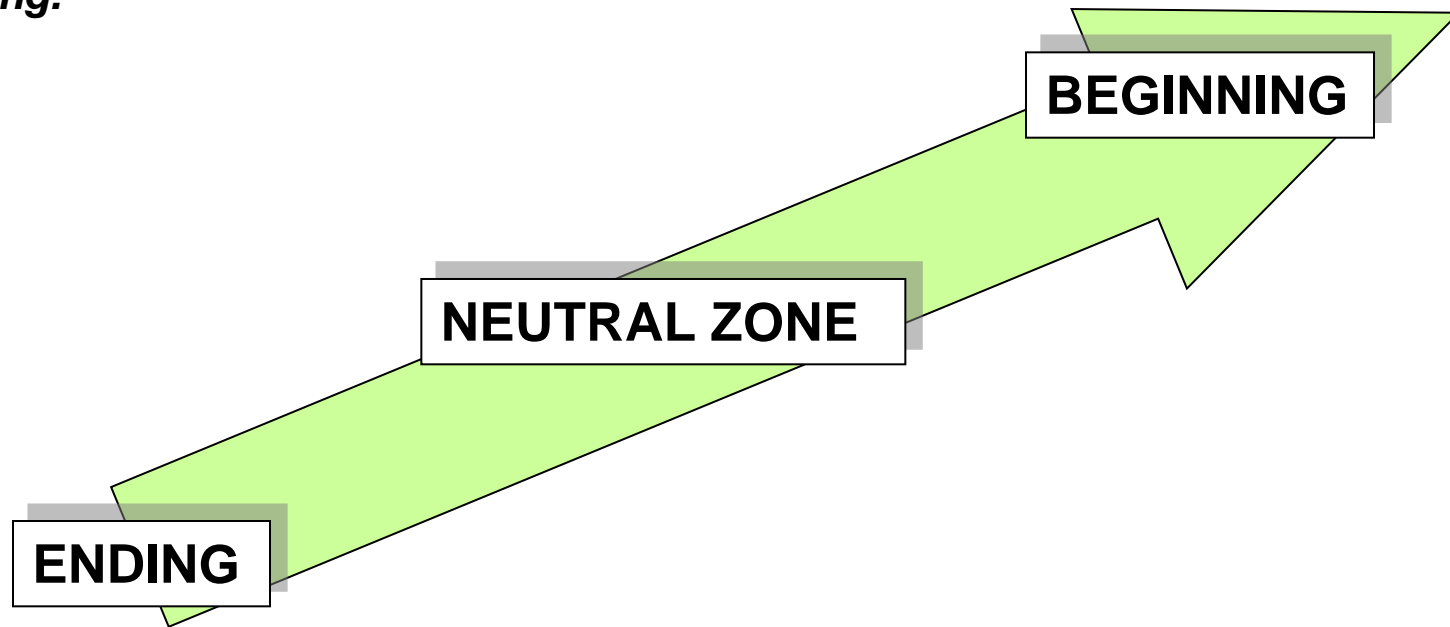
ENDING

Bridges – Leading People Through Transition

| ENDING | NEUTRAL ZONE | NEW BEGINNING |

Leadership - Ending
- Define what is over/not
- Who loses what
- Acknowledge losses openly
- Allow people to grieve
- Compensate losses e.g. training
- Accurate information
- Mark the ending
- Honour the past

Leadership - Neutral Zone
- Uncomfortable!
- Affirmative metaphor
- Reinforce with training etc
- Temporary structures
- Short-range goals
- Monitor feedback
- Encourage experimentation and risk taking
- Brainstorm answers to old problems
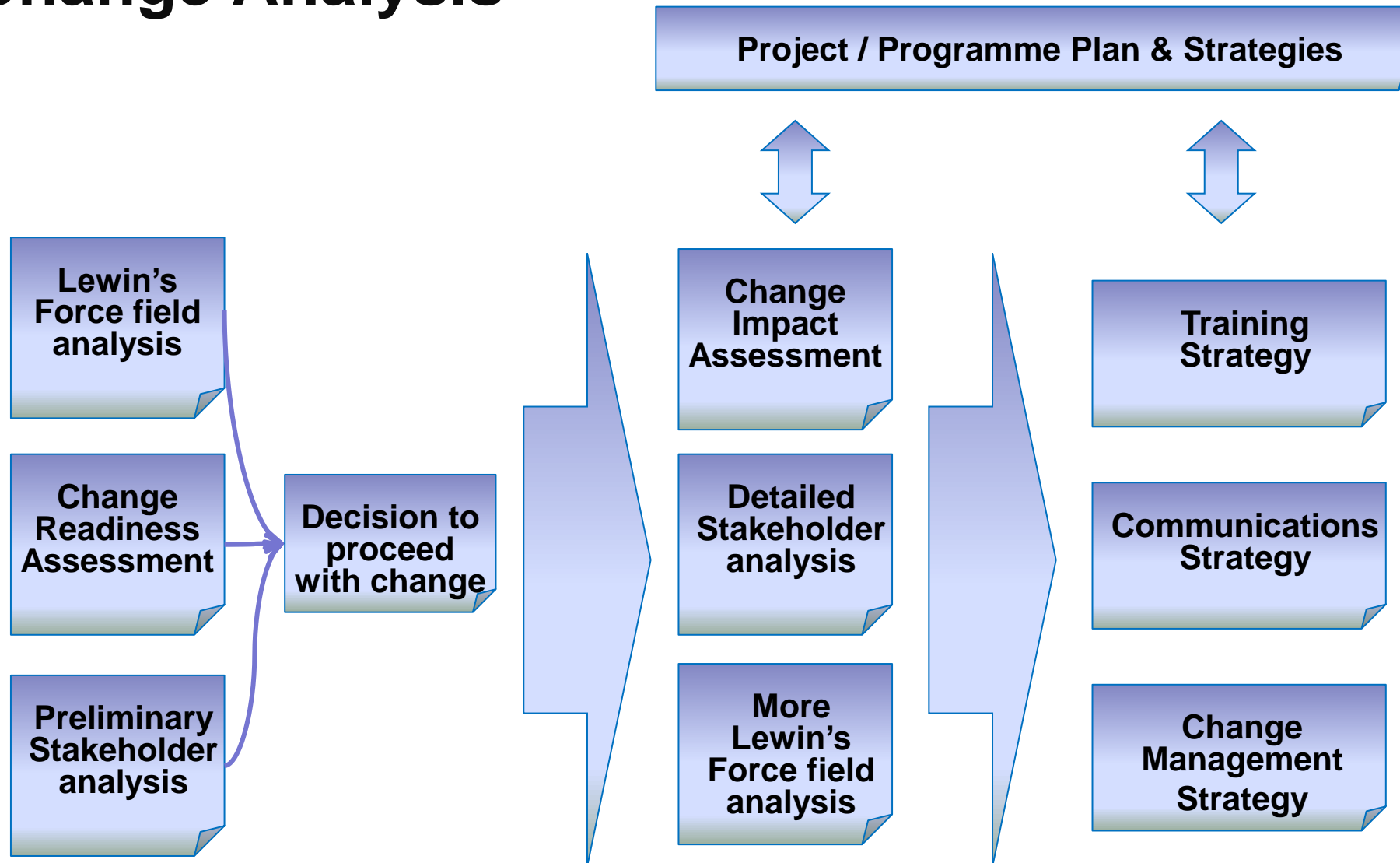
Leadership - New Beginnings
Four Key Elements:
- The purpose behind the change
- A picture of how this organisation will look and feel
- A step by step plan to get there
- A part to play in the outcome

Also
- Quick wins
- Celebrate!

Change Analysis

Project / Programme Plan & Strategies

Lewin's Force field analysis	
Change Readiness Assessment	**Decision to proceed with change**
Preliminary Stakeholder analysis	

Change Impact Assessment

Detailed Stakeholder analysis

More Lewin's Force field analysis

Training Strategy

Communications Strategy
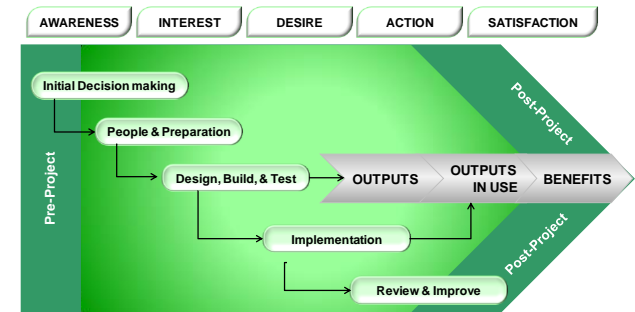
Change Management Strategy

Some tools & techniques

- Lewin's Force Field Analysis

- Change Readiness Assessment

- Stakeholder Engagement

- Change Impact Assessment

- Communication Strategy

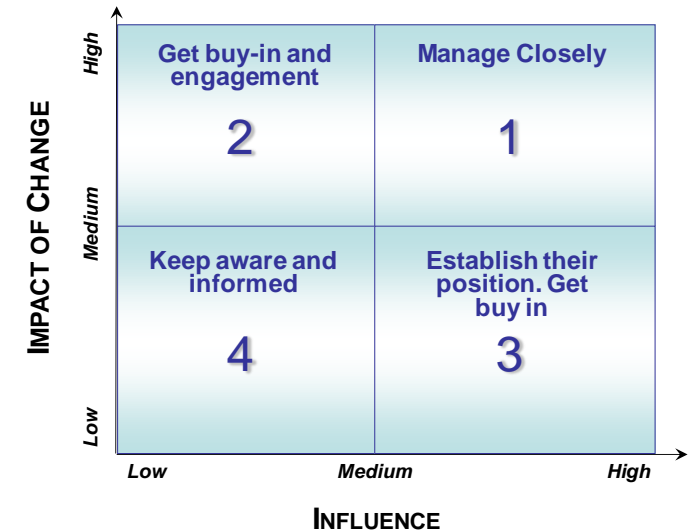- Training Strategy
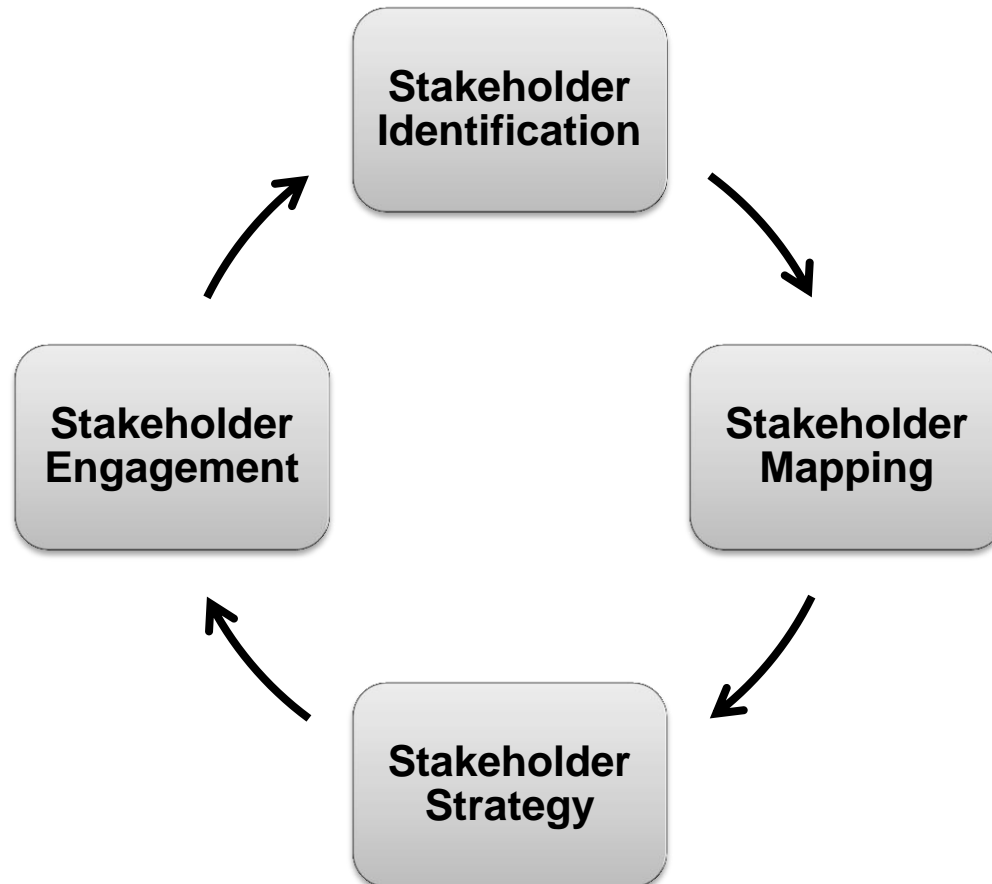
- Change Management Strategy

Initial Decision Making

Change Management Readiness

- How hard will this be?

- Is it too ambitious?

- Where are we strong?
  – and how can we build on this?

- Where are we weak?
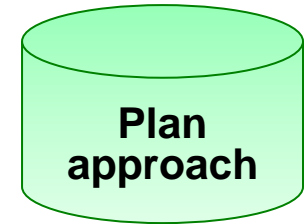 – and how do we deal with this?

Stakeholder Engagement

Stakeholder Identification

Stakeholder Engagement

Stakeholder Mapping

Stakeholder Strategy

IMPACT OF CHANGE

High	Get buy-in and engagement 2	Manage Closely 1
Medium	Keep aware and informed 4	Establish their position. Get buy in 3
Low	Low	Medium / High

INFLUENCE

Stakeholder Analysis (Simple)

| Stakeholder	For / Against	Agenda? Key interests and issues	Impact of stakeholder dissatisfaction	Approach
Marketing Director	✔	Additional revenue	Project will lose sponsor and flounder	Regular face to face briefings
Finance Director	–	Money is spent properly and wisely	Project could be cancelled	Monthly budget and progress reports. Respond quickly to requests
Telephone Sales Manager	–	Staff training Staff satisfaction Staff productivity	Fail to gain expected benefits poor or little usage	Make important part of project team
Telephone sales staff	✘	Ease of use. Job satisfaction Job security Fear of new ways of working	Potentially disastrous as this is the key user group	Ensure they are kept fully informed, plenty of training, deal with issues
Field sales staff	–	Competition for sales	Some morale issues in Field sales tem	Occasional chats with field sales supervisors

Plan approach

Kotter: the importance of getting the early steps right

1	**Establishing a sense of urgency**	Push up the urgency level. Create a crisis by exposing issues rather than protecting people from them. Send more data to people about customer satisfaction, especially where weaknesses are demonstrated. Encourage more honest discussion of these issues.
2	**Creating the guiding coalition**	Include enough • *main line managers* • *enough relevant expertise* • *enough people with good credibility and reputation* • *enough ability to lead* Avoid big egos and saboteurs Talk a lot, build trust and build a common goal.
3	**Developing a vision and strategy**	Vision building is a messy, difficult and sometimes emotionally charged exercise. Take time to do the process properly and expect it to take months. It is never achieved in a single meeting
4	**Communicating the change vision**	Keep the communication simple and use metaphor and analogy. Creativity is necessary to ensure that many different forms of communication are used to repeat the message, including leading by example. Use two-way discussions and listen to the feedback.

Change Impact Assessment

Plan approach

- A detailed assessment of what changes for whom

- Supports
  - Communication
  - Training

- Initially may be incomplete and lacking in detail

- Should evolve as more is known

- Can be completed by
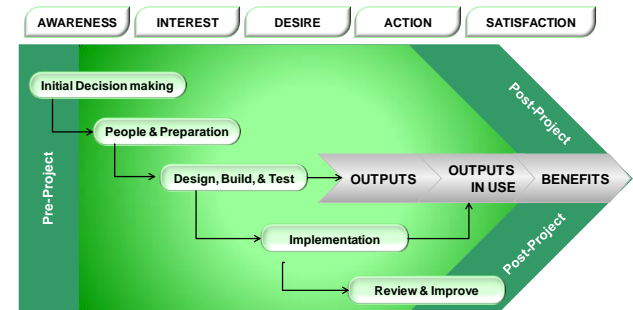 - Change Manager OR
  - Business Analysts
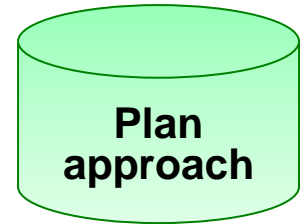
Change Impact Assessment

| Area	What is changing	What is <u>not</u> changing	Function / Process / Group affected	Impact (H,M,L)
Culture				
Customer				
People • Roles • Skills • Locations • Headcount • Ongoing training needs				
Performance Measures				
Structure • Team structures • Org Structures				
Process & Workflow				
Technology				

Planning

- ## Can we break this down?
  (e.g. Pilots, Phased implementation)

- ## What do we need to put in place to integrate the change & make it stick?
  (e.g. support, escalation, improvement, ongoing ownership, kpi's)

- ## What is the role of the middle managers?
 – What preparation / skills do they need?

Prepare Change Management Strategy

- Consider lessons learnt from previous initiatives

- Stakeholder analysis

- Communications Strategy

- Training Strategy

- Anticipated areas of resistance
  - Area | Type and Cause | Impact | Mitigation

- Change Management Issues
  - How will they be spotted
  - How will they be handled and by who

- Embedding the change
  - KPI's | Job Descriptions | On going training/coaching | Ownership

- Define success measures e.g.
  - Measurable competencies | Staff awareness | Staff satisfaction | Measurable Outcomes | Measurable Benefits

AIDAS

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AWARENESS

    INTEREST

        DESIRE

            ACTION

                SATISFACTION
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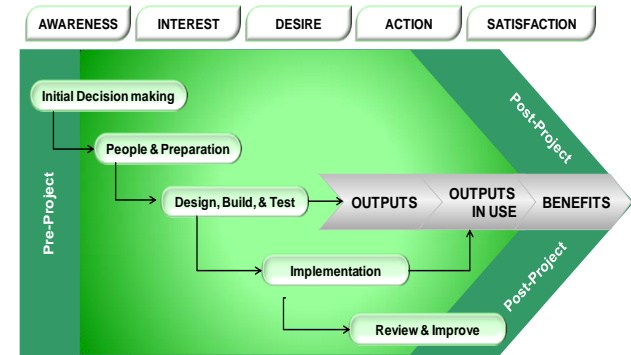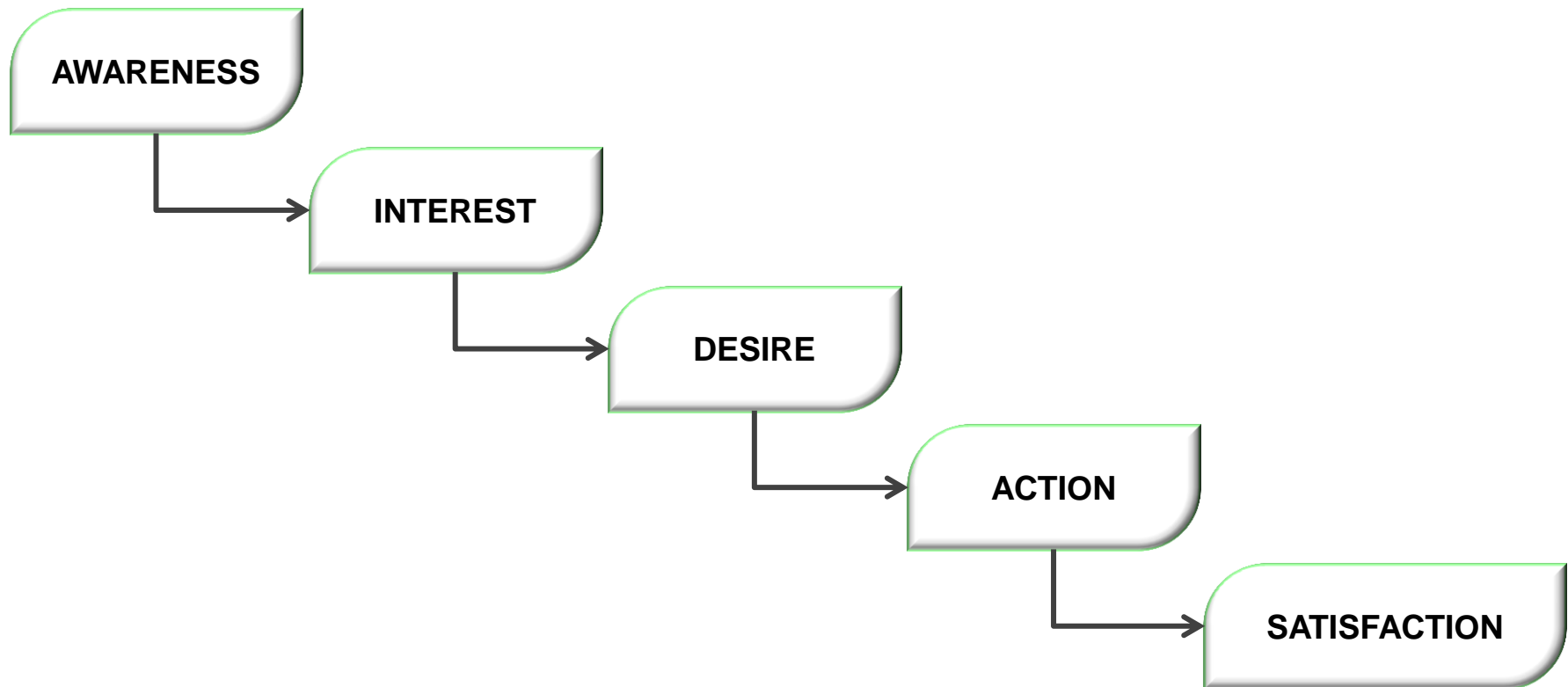
Ensure Change Management Activities

- Are clearly defined

- Have owners

- Are in the integrated schedule

- Have clearly defined deliverables e.g.

  - Training course | Presentation | Web site | Q & A

- Have clearly defined measures e.g.

  - Length of course, percentage of staff trained, quiz results, staff awareness, staff comprehension,

How to improve team effectiveness

**Rollin and Christine Glaser (1992)**

- Team goal setting

- Team roles

- Team operating processes

- Team interpersonal relationships

- Inter-team relations

Dealing with resistance

1. Listen closely and understand

2. Separate psychological and transactional issues
    - Consider individual coaching/counselling for psychological issues

3. Remove obstacles

4. Focus on objectives, be flexible on how

5. Explain benefits of changing
    - For the individual or team | the organisation | the "customer"

6. Point to success stories

7. Explain consequences of not changing
    - For the individual or team | the organisation | the "customer"

8. Remove key blockers
    - Convert them | Promote them | Transfer them | Retire them

9. Compensation
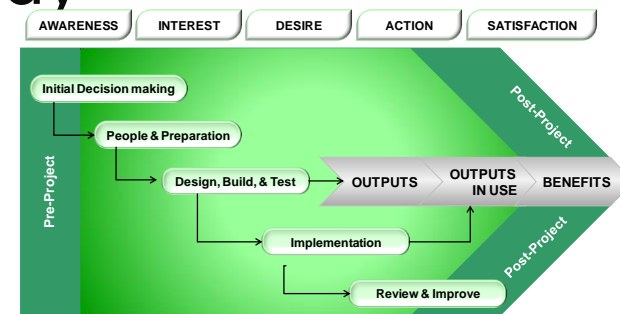   - Bonuses | Pay rises | Changed working conditions

Implementing

- Liaise closely with rest of project team
- Training
- Heightened communication
- Follow the plan
- Be prepared to change the plan
- Monitor & evaluate progress
  - Training
    (comprehension, retention, % trained, new behaviours)
  - Communication
    (awareness, understanding, anxieties)
- Notice and communicate successes
- Deal with the issues
  - Not all issues are simply "resistance" to change
  - Some have a factual / logical basis
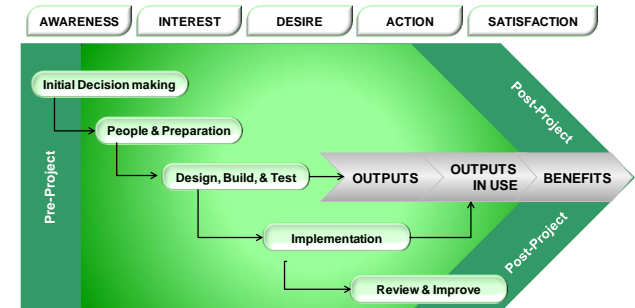
Review and Improve

- Evaluate against pre-agreed measures

- Identify gaps and actions to remedy

- What went right?

- What went wrong?

- Is it institutionalised? Will it stick?

- What would you do differently next time?

Integrating Change & Project Management

| AWARENESS | INTEREST | DESIRE | ACTION | SATISFACTION |

Initial Decision making

People & Preparation

Design, Build, & Test

Implementation

Review & Improve

OUTPUTS

OUTPUTS IN USE

BENEFITS

Pre-Project

Post-Project

Post-Project

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Project Laneways

- Training and Consulting

- PRINCE2 and Project Management

- Change Management Foundation and Practitioner
  (first to offer APM Group Change qualification in Australia)

- Soft Skills for Project Managers.

Contact us;

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