

Managing Change

A guide on how to manage change in an organisation

“It is not the strongest species that survive, nor the most intelligent, but the ones who are most responsive to change” - Charles Darwin

“To cope with a changing world, an entity must develop the capacity of shifting and changing - of developing new skills and attitudes; in short, the capability of learning” - A De Gues, The Living Company

Introduction

This guide has been written to help organisations manage change. Much of the advice in this guide is little more than the application of common sense and good management practice, but all too often some of these elements are overlooked. By taking a systematic approach to implementing change, managers can be more successful in taking staff with them and achieving their objectives.

The four key factors for success when implementing change within an organisation are:

- **Pressure for change** - demonstrated senior management commitment is essential
- **A clear, shared vision** - you must take everyone with you. This is a shared agenda that benefits the whole organisation
- **Capacity for change** - you need to provide the resources: time and finance
- **Action** - and performance - “plan, do, check, act” - and keep communication channels open

This guide includes tips and techniques that organisations can deploy to better manage change internally. The “**Change Management Matrix**” at the end of this guide is a simple tool for identifying and plotting status and progress in an organisation. This should help you structure your process of managing change to get you from the raising of **Awareness** and **Interest** to **Desire** and **Action** (A - I - D - A).

Worst Practice in Managing Change

“The main dangers in this life are the people who want to change everything or nothing” - Lady Nancy Astor

Before looking at the four factors for success, recognising the **four factors for failure** in managing change can help identify problems more rapidly, and can show where initial action should be concentrated:

- **Lack of consistent leadership**
- **De-motivated staff kept in the dark**
- **Lack of capacity: budget cuts, no spend-to-save policy, short-term approach to investment, stressed out staff working hard just to stand still**
- **Lack of initiative to “do something different”**

These four factors for failure then lead to the “treadmill effect”:-

- 1. No time for reflection, planning and learning**
- 2. No improvement in design and implementation**
- 3. Increasing need to do something**
- 4. Increasing failure and unplanned consequences**
- 5. Go back to 1. and repeat**

Implementing the four factors for success can help get you off this treadmill.

The following employee excuses demonstrate that change is being managed badly and that employees are increasingly de-motivated:

“it’s not my job”

“I haven’t got time”

“the boss doesn’t care anyway”

“I’m keeping my head down this time”

“if it’s such a good idea, why didn’t we do this the last time management changed its mind?”

“it will all change again next month”

“when the MD makes his mind up, I might do something”

“nobody told me about it.....”

The four factors for Success: pressure - shared vision - capacity - action

Factor 1. Pressure for change (the top down approach)

“Leadership is getting others to do what you want them to do because they want to do it” - Eisenhower

Firstly there must, of course, be pressure for change - a driving force. The need for change has been identified, the decision to proceed has been taken, and this now needs to be communicated throughout the organisation.

Pressure for change could be senior management commitment from the outset, but it may have come from customers or clients in a supply chain. It could come from a regulatory regime, or, and this can often be the most effective source, pressure from the workforce itself.

Who wants to work for a company or an organisation that has developed a notorious reputation for poor customer service? It is widely accepted that when people take a pride in the organisation they work for, they perform better and will more readily put themselves out to help achieve corporate goals.

For success, however, regardless of where the original pressure came from, senior management commitment and drive for change is essential if momentum is to be maintained for effective implementation.

The rest of the organisation will need to be convinced of the need and the case for change - this is dealt with in more detail in Factor 2 (A clear shared vision). Only this can happen to good effect if senior management, including the Chairman and Chief Executive, are collectively behind the changes sought.

*“Our character is what we do when we think no one is looking”
- H Jackson Brown (Jnr)*

Senior management must be seen to be fully supportive by what they do and say - both privately and publicly. If, however, senior management “talks the talk” by failing to back up their statements with action and a continuous commitment, progress can soon stall. Other conflicting or new priorities emerge and the momentum can be lost if senior management fail to remain fully supportive of the project.

So, get senior management signed up to the change. And communicate this to all staff - giving them the opportunity to feed in their contributions and feel that they have joint ownership of the change being implemented.

Factor 2. A clear, shared vision

“Businesses are nothing more or less than organisations of people trying to get to a jointly defined future” - Professor Howard H Stevenson, Harvard Business School

“As a manager the important thing is not what happens when you are there, but what happens when you are not there” - Ken Blanchard

For change to be effective, it needs to be implemented at all levels; embedded in the culture of the organisation. To keep colleagues with you and not against you they need to be motivated, and you need to understand what motivates them. You should never forget that change is a major cause of stress amongst the workforce. Staff will usually respond well to challenges (that they feel they can meet!); it's fear of the unknown that raises stress levels. Getting staff motivated to support the changes that are to be implemented is therefore crucial for success.

Staff, their managers and senior managers are all motivated by similar things. They do not, however, necessarily place them in the same order of importance. These 'motivators' include pride, happiness, responsibility, recognition, security, success, and, of course, money. The trick in successfully managing change and getting the commitment and support from staff is to provide these 'motivators' for your staff - or at least as many of them as possible. Here are some tips, questions and ideas to help you:

PRIDE

"Follow where your enthusiasm takes you"

When was the last time you [or senior management] told or showed your staff how proud you are of what they have achieved? The performance of your staff can drop significantly if they feel unappreciated or taken for granted. Staff that take pride and some level of enjoyment in their work and working environment are much more likely to perform well and provide new ideas for improving the organisation's own well being.

HAPPINESS

"A happy team is an effective team"

A culture where laughter is permitted and encouraged can make all the difference in helping everyone get through the day. A caring approach to your staff can reap many benefits; because if they know their employer cares about them as individuals then they will be more likely to care about the employer's interests.

Taking the approach of '*treating others as we would wish to be treated ourselves*' is the 'golden rule' for strengthening and improving relationships between everyone at all levels in the organisation.

RESPONSIBILITY

"It is amazing what you can accomplish if you do not care who gets the credit" - Harry Truman

Giving people more responsibility is a demonstration of trust. If people feel they are trusted they usually respond by taking greater care and pride in their work. Is management prepared to delegate responsibility and provide the back-up? Will management then take responsibility when things go wrong? - Or does it have a blame culture?

SUCCESS

"Success in your life is not a single achievement. It's all that you do with others and for others"

We all have slightly different views on what constitutes success. But there can often be common factors such as market profile, corporate reputation and product quality. A useful exercise here is, following a presentation on why change is being undertaken, to ask staff, individually or in small focus groups, what they have as a

vision for the company and also for themselves as individuals. Good questions to get things going are:

- (i) What or where are you now?
- (ii) What or where would you like to be?

(ask teams to apply these questions to the company as well as themselves)

A facilitated discussion can tease out where ideas overlap and demonstrate where common ground exists and can be strengthened. Use the '**Change Management Matrix**' at the end of this guide to reveal the current status within your organisation.

RECOGNITION

*When the leader's work is done, the people say
'We did it ourselves' - Lau Tzu*

Are your staff valued and made to feel part of the organisation's success? Even when times are hard? When was the last time you took time out to say 'thank you' to staff at all levels of the organisation for their individual contributions? To ignore this important motivator would be a serious error; and could result in losing the support you need when implementing change.

An effective approach employers can take is to treat its employees as its most important and valued customers. The employer is providing employment activity and wages; the employees purchase these with their effort. The spin-off is that the external customers benefit from a more highly motivated company to do business with.

SECURITY

*"You do not lead people by hitting them over the head -
that's assault, not leadership" - Eisenhower*

Whenever change is being implemented the fear factor can set in. This can be the fear of change itself and its consequences such as the possible loss of job security or loss of responsibility or control. **Continuous, honest and open communication is essential here.** Change can take people out of their 'comfort zone' and raise their stress levels. The challenge is to demonstrate that the new 'zone' is even more comfortable and secure - or at least it will be once the initial short-term discomfort of implementing change has been overcome.

MONEY

"I am not interested in money. I just want to be wonderful"

- Marilyn Monroe

Money is of course an important motivator. Underpaid staff feel under-valued and are less likely to respond positively to change - especially if it means more effort for little or no increase in either pay or recognition - or both! Many, especially those with captivating outside interests, 'work to live rather than live to work', but we need to recognise that most full-time employees spend more of their waking hours at work than they spend on pursuing leisure interests or with their families. This means that providing the other six motivators is equally as important as paying a fair wage for a fair job of work done.

Finally, management and staff alike need to remember that, in the words of Henry Ford,

"it is not the employer who pays wages; he only handles the money.

It is the product that pays wages".

Factor 3. Capacity for change (resources)

"More business is lost every year through neglect than through any other cause"

- Jim Cathcart

Capacity here means resources and these are staff time and, where appropriate, money. To implement change you need to identify the resources that will be required before you proceed and make sure these are provided.

It is usually the organisation's own employees that have the **information, intuition, ideas** and **instincts** necessary for implementing change effectively. When given the capability and the opportunity to participate in improvement programmes, it is employees who often can find the greatest cost savings and efficiency improvements.

In addition to this wealth of in-house expertise, bringing in a 'fresh pair of eyes', such as a business consultant with expertise in your field, is a resource that can prove invaluable.

Factor 4. Action

"We are what we repeatedly do. Excellence

then, is not an act, but a habit" - Aristotle

Having got the other three factors in place (pressure, a clear shared vision and capacity) you now have to implement the planned change.

"Energy is equal to desire and purpose" - Sheryl Adams

Keeping up momentum is what matters here and implementing the

PLAN - DO - CHECK - ACT

management methodology is essential to maintaining the effectiveness and appropriateness of the change. Good monitoring and analysis of the resulting data

is essential. Make sure you continue to keep employees informed of progress - the '**Change Management Matrix**' at the end of this guide can help you do this.

The ***Change Management Matrix*** at the end of this guide will help you plot progress and move forward methodically and effectively.

CHANGE MANAGEMENT MATRIX

Plot in each column where the organisation stands and then try to make progress by moving up the matrix in a straight horizontal line, targeting the weaker areas first.

Awareness > Interest > Desire > Action

| Pressure for change | Clear shared vision | Capacity (resources) | Action (and performance) |
|--|--|---|---|
| 3 Policy and action plan in place Regular reviews Active commitment from top management | 3 High level of awareness and support at all levels Staff highly motivated | 3 Resources (staff and funding) routinely committed Cost savings re-invested for further improvements | 3 Action being taken and embedded throughout the organisation Monitoring and reporting of progress |
| 2 Policy agreed and communicated to all staff | 2 Representatives from all levels of management chain involved in planning process and drawing up action plan(s) All staff given opportunity to make an input | 2 Key staff working on plans and projects. Staffing and funding needs identified and resources becoming available | 2 Wider engagement across the organisation 'Low-cost' and more 'no-cost' measures implemented |
| 1 Board level "champion" appointed Drafting of policy | 1 Key and supportive staff identified for assisting in drafting policy, taking action, and driving the process | 1 "Champion" appointed at middle management level (to support the Board's "Champion"). Training & development needs assessment | 1 Commencement of action at some levels of the organisation. Some 'no-cost' measures implemented |
| 0 No explicit policy 'Business as usual', no forward planning Lack of consistent leadership & responsibility (buck-passing) | 0 De-motivated staff kept in the dark No communication. General mistrust | 0 No investment. High stress levels in over-worked and under-valued staff No training & development | 0 Zero action (or limited to crisis management) |