Managing Organizational Change

*An Introduction to Excellence*

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In Partnership With
“Comfort is not the objective in a visionary organization! Indeed, true 21st century visionary organizations and their leaders embed powerful mechanisms to intentionally create discomfort, challenge existing systems, and create positive change. To obliterate complacency and mediocrity by getting better. To stimulate positive change and improvement…… BEFORE the world demands it!”

James C. Collins

Built To Last
“Persuading large numbers of people to stop doing what they have been doing for years and to start doing something different that they probably don’t want to do --- At least not at first.”

David Nadler
Champions of Change
“Attracting people to a certain cause or need for change and through a structured process, leading them to work towards fulfillment of the planned change”.
The Nature of Change

Current Situation or Condition

Transition or Chaos

Future Situation or Condition
Why Manage Change?

Not Effectively Managed:

- Productivity declines
- Passive resistance grows
- Active resistance emerges & sabotages
- Valued employees leave
- Employees become disengaged/disinterested
- Employees argue – rumors persist
- People wonder WHY?
- Sick and/or vacation days increase
- People create “work-arounds” to avoid change
- Employees revert to “old ways”
- Changes never fully implemented
- Lack of support forces cancelled change actions
- “We” versus “Them” prevails
- Creates a history of failed change efforts
- Multiple risks are activated
- Organization fails to change
Why Manage Change?

If Effectively Managed……

- Employees have solid understanding
- Employees engage in solutions
- Training used to build knowledge and endorse change efforts
- Resistance is identified early and managed
- Senior leadership demonstrates commitment
- Communication is consistent and frequent
  Synergy & momentum increases

- Changes are less painful to individuals and to the organization
- Collaboration builds among management
- Management support creates cascading ownership of change
- Probability of meeting change goals & objectives is greatly increased

Organization builds a ensuring history of successful change thereby establishing a solid backdrop for future change actions.
Strategic Alignment

VISION

MISSION

CORE VALUES & BELIEFS

GOALS

STRATEGIES

OBJECTIVES

MANAGEMENT BEHAVIORS

SUSTAINABLE RESULTS

ACTIONS
The Change-Adept Organization

Responding to the Challenges of Organizational Change:

3 Pre-requisites:

1. Imagination .. Innovation…. Continuous Improvement

2. Capacity to Execute – Individual & Collective

3. Culture – Communication & Collaboration – Aligns & Engages
The Change-Adept Organization

3 Core Drivers:

1. Intentionally nurturing concepts, ideas, solutions, etc.

2. Competence with Accountability

3. Connections & Alignments – Vision to Results
Types of Organizational Change:

Incremental Change:
- Happens frequently
- Evolutionary
- Can be planned or unplanned
- Can be imperceptible
- Can be insidious
- May be culturally driven

Planned Change:
- Focus is usually on structures and systems at a functional level
- Focus is on implementation & planning
- Emphasis on people - organizations don’t actually change - people change!
Types of Organizational Change:

Transformational Change:

• Larger scale change (new strategies, structures, and programs)
• Driven by specific strategies or actions in support of a vision
• May require attitudinal and behavioral changes
• Difficult to control – very wide-spread
• Demands engagement at all levels to be successful
• Can be overpowering leading to disengagement
• May be necessary for growth, improvement, market response, or survival.
Dimensions of Change

• **Leader Driven Change:** Any time, any place, any reason!

• **Process Driven Change:** Cost containment, quality, efficiency measures, etc.

• **Improvement Driven Change:** Improve areas within the organization

• **Organizational Renewal:** Radical & Transformational
Transformational Change

Key Leader Behaviors:
- Constructive Influence
- Motivation
- Caring & Consideration
- Intellectual Stimulation

5 Best Practices:
- Model the Way
- Inspire the Vision
- Challenge the Process
- Enable People to Act
- Encourage the Heart
Cultural Impact of Change

- Core Ideology – Vision, Mission, Values, Goals
- Quality Service - Clarity of Communication
- Management & Leadership Competency
- Capacity for Change – Flexibility & Adaptability
- Communication & Interaction – Interpersonal Dynamics
- Organizational Structure & Work Processes
- Employee Skill & Competency Development
- Motivation & Reward Systems
Successful Transformational Change

**Impact**
- Built around the business drivers (KPI’s)
- Connects emotional and intellectual support
- Models and reinforces the new way of working
- It puts significant investment into human interactions & communication
- It creates experiences that shape future behavior
- It aligns all the dimensions of management behind the change – *Management Alignment*
- It releases talent, creativity, innovation, and ownership – often in unexpected ways

**Sustainable Results**
- Incorporate the drivers into the project plan
- Develops clear engagement strategies – *Vision to Results*
- Accomplished before, during and after implementation – *Creates a high-performance culture*
- Communication from the very start creates synergy and focus
- Align and engage all levels of management behind the transformation
- Allows for processing resistance and conflict – natural during change
- Provides processes that *emotionally support* people through all parts of the change
Unsuccessful Transformational Change

1. A gap between top management statements of values or styles and their actual managerial behaviors – Saying one thing and doing another – *Trust Issue*

2. A big program of activities without any clear goals for change – *Poor Execution*

3. Confusion between ends and means – *No vision-to-results alignment – Sustainability!*

4. Short-term perspective. Three to five years is a realistic time framework for transformational change – *NOT Friday to Monday!*

5. Lack of coordination between a number of different activities aimed at increasing organizational effectiveness – *Creation of silos and unfriendly competition!*

6. Overdependence on others – either outside consultants or inside specialists – *NO TEAM!*

7. Large gap between the commitment to change at the top of the organization and the transfer of this interest to the middle of the organization – *No Ownership or Engagement!*

8. Trying to fit a major organizational change initiative into an old structure & culture!

9. The constant search for “one-size-fits-all” solutions – *NOT!!*

10. Applying an intervention or strategy inappropriately. The tendency to apply someone else’s solution – *No Destiny of Choice!*
Transformational Change Engagement Barriers

- It’s the wrong idea.
- It’s the right idea but the wrong time.
- It’s the right idea, and right time but not positioned well.
- The reasons for the change are wrong.
- There is a lack of authenticity from leadership.
- Reality is far removed from the promise of the change or impact.
- Bad luck!
- Poor leadership support.
- Personal ambition (EGO) gets in the way.
- People are not ready for the change – fear of loss.
- People get carried away with change for the wrong reasons.
- Removing resistance takes too much energy.
Transformational Change Process

Phase
- Unfreeze
- Motivate
- Engage
- Reinforce
- Sustain

Leader Actions
- Set the direction. Influence desire & will for change
- Motivate support and build confidence through empowerment
- Engage & Energize with shift in attitudes & behaviors
- Support, caring, and concern for feelings
- Strive for continuous performance improvement through creativity & innovation

Outcomes
- Enroll
- Enable
- Energize
- Exemplify
- Passion To Perform
Organizational Change Process

Phase 1 - Process Steps

1. Discover & analyze current situation.
2. Determine the future situation – WHAT will change?
3. Identify “gaps” between current & future.
4. Determine WHY of “gaps”. (weaknesses, problems, challenges, etc.).
5. Explore alternatives to “close the gaps”.
6. Analyze costs, benefits, & risks of each alternative.
7. Determine scope of change effort.
Determining Scope of Change

• What are the potential *system & process* implications?
• Will changes *impact operational and/or cultural* objectives? If so, how?
• What *new technologies* do we need? Are they available?
• What other departments or functions are at risk?
• What *changes in roles & responsibilities* may be required?
• Are any other processes (internal/external) affected by change? If so, how?
• Are current *performance measures* appropriate?
• Is it really worth the *costs and risks* to proceed?
Change Process Model

Phase 2 - Process Steps

1. Establish a sense of Urgency & Commitment
2. Develop a Vision for Change with specific Goals & Objectives
3. Identify & assess support and commitment from Stakeholders
4. Identify & develop Strategies for Implementation (HOW)
5. Develop Performance Indicators or Measurements
6. Identify Short-Term Successes
A Vision is a stated expression of *greatness of purpose* that allows an organization to plan for that which may not seem possible.

In change efforts, Vision is an expression of the desired future state over the current state.

A change Vision must convince the organization of the value to move from current to future conditions.

Vision creates the framework for development of effective change goals & objectives.
Change Process Model

Phase 3 – Process Steps

1. Craft the Message and Communicate It.
2. Identify & Reduce or Eliminate Obstacles.
3. Create Involvement, Engagement, & Commitment.
The Message of Change

Message of Change Should Include:

1. Vision Statement
2. Key Goals & Objectives
3. Major Obstacles & Plans for Resolution
4. Method for Collecting Feedback
Crafting The Message

- Establish a procedure for encouraging and collecting feedback.
- Use many different modes of communication.
- Be consistent & repeat the message of change often.
- Provide ways for key stakeholders to visualize aspects of the planned change.
- Identify & reduce/eliminate obstacles that hinder implementation.
1. Monitor the Change

2. Seek & Apply Feedback from ALL Shareholders

3. Refine As Required – Back to Phase 1 & 2

4. Keep It Going!
Ten Strategies for Employee Ownership & Commitment

1. Meet regularly with employees and openly discuss the organizational changes, why they will be impactful, and what the role of the employee will be;
2. Recognize that employees understand that you may not have the answers to everything, but it’s important for them to feel the communication channels are open and honest;
3. Constantly communicate clear goals and vision of the planned change;
4. Encourage people to discuss fears and concerns in teams – Keep feedback loop open!
5. Open ‘suggestion boxes’ for employees to raise questions in anonymity;
6. Set up weekly lunches or other informal meetings to discuss the progress of the journey of change;
7. Whenever possible, assign roles and responsibilities in line with peoples skills & motives;
8. Develop rituals and marker events that allow people to connect – Celebrations!
9. Involve employees affected by the changes in making decisions about what’s best for them and why;
10. Discuss realistic career options with employees and ensure training is available for any new skills that are needed to support the change!
Successful Transformational Change

Phase
- Unfreeze
- Mobilise
- Realise
- Reinforce
- Sustain

Content
- Set the direction
- Create the desire & will to change
- Make early changes & build confidence
- Secure widespread shift in behaviour
- Underpin with changes in structure & people processes
- Strive for continuous performance improvement

Outcomes
- Break with the past
- Build the energy
- Lift-Off
- Embed new culture
- Push the limits
Creating Organizational Excellence through Transformational Change

Vision Without Action Is A Dream!

Action Without Vision Is A Nightmare!

Effective Leadership Creates Vision & Facilitates Action For Positive Organizational Change!

Effective Leadership for Change Begins With YOU!