

# **Managing Change**

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## **Introduction**

‘We live in a moment of history where change is so speeded up that we begin to see the present when it is already disappearing’, (Laing, 2000).

More than ever, organisations are being subjected to a host of pressures for change from elements in the environment, both internal and external. According to Churchill and Lewis (1983), there are five main stages of development in a business’s growth. These include existence, survival, success, take off, and resource maturity. As an organisation moves from one stage to another, it must adjust to the challenges of that phase. There is a need for continual renewal if the organisation is to maintain a sustainable competitive advantage which will ensure its survival in a turbulent business environment. Organisational change is the process by which the organisation moves from its current position and state towards some future position as a way of increasing its overall effectiveness (Jones, 2001). The management of change is a complex process, which according to Larkin and Larkin (1996) is something which many organisations get wrong. They highlighted how many CEO’s said, in hindsight the one thing they would do differently if managing a change initiative in the future, was to manage the way they communicated with staff differently

## **Why Change?**

Very often, change is the result of a major crisis, either internal or external to the organisation. Sadler (1998) outlines that it requires great vision and courage to see the need for organisational change and to achieve it in advance of a crisis. Incremental change is brought about by using appropriate environmental information over a long time, and as information is shared and internalised by employees, subsystems can be modified and adjusted (Quinn, 1980). According to Burnes (1992), incremental change is suited to relatively small change where the changes needed are specific to a sector or department. A number of models of change will now be discussed, specifically focusing on how each provides a framework, which if applied to a real example, can improve the quality and approach to the change intervention. Many organisations focus on a single element of a change project, such as looking at structure or strategy, whereas successful change programmes, in my view, take a more complete view of all the elements influencing the final

outcome. By understanding the concepts proposed in the following models, the real application and value of each will be evaluated.

### **Models of Change Management**

#### **Congruence Model of Organisational Behaviour**

In looking at the change process, the model proposed by Nadler and Tushman (1979), called the Congruence Model of Organisational behaviour, is worth considering in terms of making recommendations around an OD approach.

Figure 1

<b>Congruence Model of Organisational Behaviour (Nadler and Tushman, 1979)</b>		
<b>Inputs</b>	<b>Transformation Process</b>	<b>Outputs</b>
Environment	Interaction among org.	Goal achievement
Resources	components	Resource use
History	Task	Group performance
	Individual	Individual behaviour
	Informal org	

#### **Inputs**

In this model, the main inputs to the system are the environment, the resources available and the strategy and history of the organisation. If this model were considered fully, a comprehensive evaluation of the drivers of change in the environment should be part of the initial analysis. I would recommend that the people affected by change should be involved at the outset in the identification of the drivers of change in the environment. Of central importance here, is the need for any frustrations in the current role to be aired and dealt with, before looking at any changes. By spending more time and effort listening at the outset, I believe the identification of barriers in the current roles could be dealt with, thus ensuring staff are more open to the idea of change at all. Research by Garvin and Roberto (2000) found that successful change programmes were based on the manager doing significant work in advance to ensure staff will consider new ways of working, something which is essential to the success of all change programmes.

Secondly, in recommending an OD approach, the history of the organisation should be considered to a great degree. A key element of the process may include bringing about a change in culture. In order to assess the current culture, management and staff should be interviewed to gauge their understanding of the current roles and the need for change. Real support at senior level for change is critical. Training may need to be provided to up skill people, but there also needs to be support in terms of coaching, mentoring, focus groups, monitoring customer feedback and in some instances, recruiting new staff into the organisation with real expertise in the area of focus.

### **Transformational Process**

When looking at the transformation process, this is made up of four key components. These include the work to be done by the organisation, the individuals who do the job, the formal structures and processes in place to motivate performance and the informal arrangements such as communication and influence, which characterise how the organisation functions.

Therefore, in recommending change, a critical factor would be to begin with the end in mind. What is it that the organisation hopes to achieve? How will success be measured? What structures need to be put in place to ensure there is support for the change? Who will lead the change? Are there those who will act as champions of the change? How will the organisation build the confidence of staff in their ability to take on any new roles as well as recognising that some may not be able to adapt. Finally, a reward system should be set up and monitored to ensure the right behaviours are being encouraged. Key dates and targets need to be agreed in advance of the change so that the success of the transformation process can be assessed as the project progresses.

### **Outputs**

In this model, outputs include how the goals of the organisation are achieved, how resources are used, how people adapt to the change process, and overall, how successful the change initiative has been. Performance goals are an essential element to successful change initiatives, according to Walsh (2000), so these need to be an integral part of the design of a change initiative. Also, when behaviours do change, the manager needs to recognise that achievement through feedback and praise. A pilot could be considered, taking a small group of staff and bringing them through the key elements of the change process. Based on their feedback, the programme and approach may need to be modified before rolling it out to all staff. There is a need to keep the momentum for change going, so that behavioural change is not short term. As a new OD initiative should ensure that the outputs include measurable and tangible signs that behavioural change has taken place, a core element of this is the feedback from clients about the changes.

The main point of this model is that all elements need to be in alignment in order for it to work. There is a need to have systems in place to support the change process, which include regular feedback from clients, coaching, skills development, setting up a pilot, and monitoring the systems to ensure change occurs. In recommending an OD approach, time needs to be spent at the input stage in considering the history, values and culture of the organisation and the people who will be affected by the change. The views of those involved should be established in terms of where they are now and also, getting them to see the need for change. However, one criticism of this model is that a system which is highly congruent, may in fact be resistant to change as it develops ways of insulating itself from outside influences (Burke, 1994). So, going forward, when change happens, staff may protect themselves from any further changes in the future; something which needs to be monitored.

### **Tichy's TPC Framework**

Tichy's (1983) TPC framework is another model which is a useful one to consider in terms of recommending an OD intervention. This model outlines how strategic change involves making technical, political and cultural decisions about the new organisational state. When an organisation only focuses on one or two of these elements, the change is dysfunctional. To succeed, the three strands need to be dealt with. Strategic management is the task of keeping the three of these strands from becoming unravelled in the face of problems in one area. He presents three basic sets of managerial tools for aligning the technical, political and cultural systems in the organisation. These include :

- The mission and strategy of the organisation
- The structure
- HRM procedures

When looking at the technical, political and cultural elements of the organisation, a judgement is made in each of the areas outlined above as to how much change is needed to create alignment. An effective organisation is one where there is a good strategic alignment between the mission, the structures and the subsequent HR policies and procedures which support people in achieving the goals of the organisation. In many cases, there are tensions at all three levels of this model as there is often a lack of real clarity around the mission, little support in terms of structures and lack of real listening to the people involved in the change. In making recommendations for improvement in the way change is managed in many

organisations, greater clarity is often needed in terms of the mission and strategy of the organisation. Also, time around the strand of the model focusing on culture should be part of any successful OD intervention. The gap between the current and desired culture needs to be bridged. Staff need to identify the new values needed as well as highlighting how this shift can happen. It is vital that as the culture starts to change, success is celebrated along the journey towards the new vision. The core elements of the model are summarised in the table below. As an organisation undergoing change, all the elements outlined in this framework need to be considered in order to successfully manage the change.

Figure 2

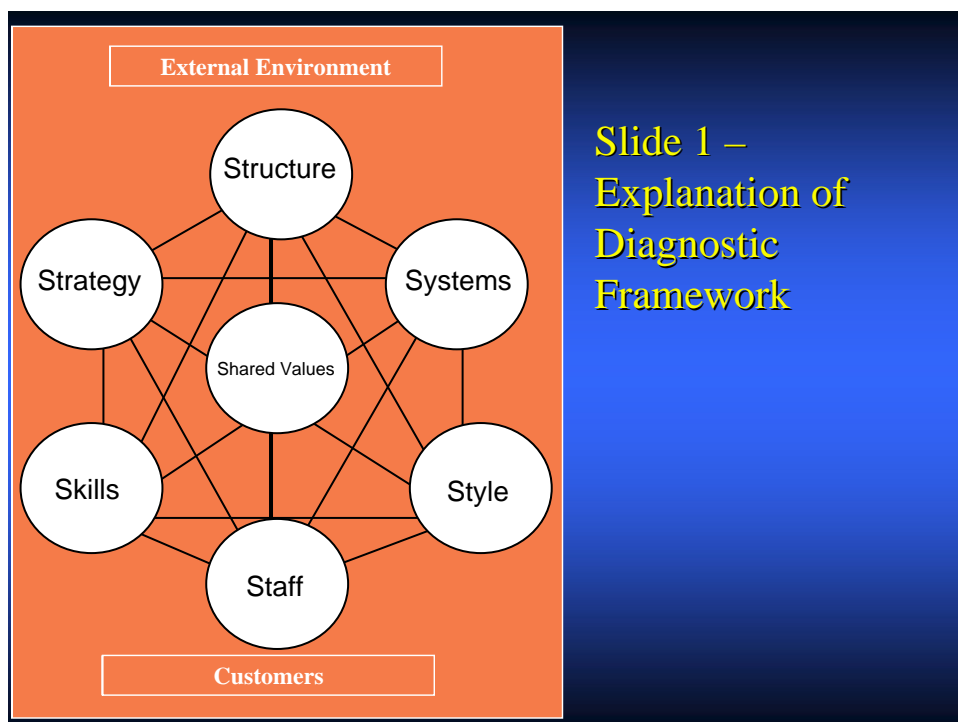
	<b>Mission</b>	<b>Structures</b>	<b>HRM</b>
<b>Technical system</b>	Assess needs of customers Define organisation's mission Consider extra resources which may be needed	Structure needs to support strategy New roles needs to be integrated Structures to support change are needed Regular feedback staff	Do existing staff all fit the new role? How will people be measured in the new role? What development plans are needed to make it work?
<b>Political System</b>	Get core staff to influence mission and strategy Manage behaviour around strategic decisions	How will power be distributed? Staff need to feel empowered in their new role	How will staff be inducted into the new role – both existing and new staff Design reward system to support the change Manage the appraisal politics
<b>Cultural System</b>	What are new values ? How will change strategy affect how the organisation does business? Develop culture in line with mission and strategy	Develop a managerial style in line with the new culture Develop subcultures to support the new role Highlight the new corporate identity	Select new people to support the change Manage rewards to shape the new culture Consider the training and development needed to ensure staff adapt to the change

Mc Kinseys 7 S Model

Mc Kinsey's 7 S Model. (Sadler, 1998) identifies that the success of any organisation is dependent of keeping all 7 of the following areas in balance

- Strategy
- Style
- Systems
- Skills
- Staff
- Structure
- Shared Values

**Figure 3– The 7 S Model**



Like the Tichy (1983) model and that of Nadler and Tushman (1979), the 7 S model centres around balancing staffing, structures and the objectives of the organisation. In many cases, the strategy may be broadly there, but a key area of failure is around that of staff buy – in to the process. Focus groups should be considered together with one to one interviews of staff to establish how they feel about their current roles, as well as identifying what needs to change for the future. It seems that all change management approaches need to have clarity around where the organisation is going, what changes are needed, how staff feel throughout, and setting up structures to ensure the change happens smoothly. Although the speed of the change will vary, even the most urgent change programme would in my view need to consider these elements and within the boundaries of the project, take each one into account.

By looking at change management as a part of a system, the 7 areas outlined in this framework provide a lens by which all aspects of the change can be considered as part of the process. The key element to highlight is that each area is connected to the others, with a change in one causing a reaction in some, or all, of the others. In using this framework, an organisation can outline what the future looks like for their organisation in each of these critical areas, clarifying where they are now and agreeing a route map to go forward.

## **The 7 S Model – what the future should look like :**

### **Structure**

What kind of structure do we need – flat or hierarchical?

Do we need to get staff involved in the design of the necessary structures to support the change ?

Consider a pilot with a small number of staff in one area to begin with.

Consider ways to ensure staff adapt to the new role – mentoring/ secondments etc.

Option to buy in the expertise and use this resource to train existing staff.

### **Strategy**

Identify the strategic direction of the organisation overall.

What is the organisation trying to achieve and how does this role fit with that?

Clarity needed as to what end goal looks like.

Once the vision is clear, the senior team need to agree the strategy to achieve this together, possibly with, the senior group of staff already working in the area.

### **Systems**

Identify the training systems needed to support staff.

Clarify the performance management system that will support the change.

How will staff get feedback as to how they are doing?

What systems need to be set up to monitor customer reaction to the change?

### **Style**

Establish a style that works to help staff move towards the change.

Agree an approach which will help grow the business.

Regularly review how customers and staff are finding their changed role.

Adopt a management style of inclusion throughout the project so that views and ideas can be aired.

### **Staff**

What do top performing companies do to develop their managers?

Ensure induction into the new role is comprehensive and thorough going forward.

Consider the career progression of staff who move into this role.

Identify the opportunities associated with the change.

Ensure morale and motivation levels remain high by seeking regular feedback from staff in the new roles and offering regular support in the form of mentoring.

opportunities, secondments and training.

### **Skills**

What is the organisation's unique selling proposition?

Focus on developing the confidence and competence of staff in their new roles.

Offer opportunities to see best practice by visiting member organisations who are noted to be excellent in their field.

Measure the level of skill development in core areas and offer regular and structured opportunities for staff to grow in their new roles.

### **Shared Values**

Clarify the future direction that the top management team wants to infuse in the organisation..

Need to make the goals of the organisation mean something in practical terms to all staff.

Top management needs to provide meaning for people by articulating these values and ensuring staff believe in and live by them.

By considering all of the 7 areas outlined, the organisation ensures that the blueprint they create for the future is one which is comprehensive and not one which focuses on one or two areas of the elements of change.

### **Resistance to Change**

Managing employee resistance is a huge challenge with many change initiatives. If this process fails, then the whole exercise will fail (De Vries, 1998). Hall (1999) stated that handling people's reaction to change is difficult to anticipate and manage. He said that in order to understand change, you need to see it from the perspective of the person experiencing it, bearing in mind the culture they live in. Topf (2000) found that people's first reaction to change was usually one of fear of losing their jobs, seniority or security. Also, people often worried that change will result in more work for them or feeling that they had been dealt with unfairly in the process. By spending a greater amount of time in the diagnosis stage, many organisations could avoid many of the difficulties outlined earlier.

The following are 6 key activities for minimising resistance to change. Organisations that spend time working on reducing the resistance to change from the outset are likely to manage the change process more effectively overall. These 6 areas include:

1. Avoid over organising.
2. Communicate like never before.
3. Work at gaining commitment.
4. Turn perceptions of threat to opportunities.
5. Ensure early involvement.
6. Provide help to face up to change.

Kotter and Schlesinger (1979) outlined the ways in which managers can improve their chance of success in organisational change efforts. These include

- Conducting a full analysis of the current organisational situation to identify the forces causing the problem.
- Conduct an analysis of the factors relevant to and arising from the potential change.
- Select a change strategy based on the analysis of 1 and 2, outlining the involvement of others, the speed of change and the amount of preplanning needed.
- Monitor the implementation process so that adjustments could be made.
- Interpersonal skills are the key to using this analysis.

Many of the steps suggested by Kotter and Schlesinger (1979) have been highlighted earlier, however, one key element which I would recommend as part of this OD intervention is that of developing the interpersonal skills of senior and front line managers. This key group should be coached in the strategy for implementing the change and perhaps, work with a coach in some instances, throughout the process. There needs to be a plan as to the core elements of the change programme and how it should take place as well as regularly listening to staff,

both one to one and in teams, to assess how each person is feeling. According to Graetz (2000), senior management needs to change from traditional, authoritarian command and control, to a more open, participative approach, with the emphasis on co-operation, collaboration and improved communication. He stressed that to be effective leaders in an environment of change, the interpersonal dimension is critical. Strategic change leaders need to challenge the status quo and create a readiness for change ( Kouzis and Posner, 1995). Employees need to be included in the change process and resocialised into the new way of doing things (Pascale, Millemann and Gioja, 1997). One of the key problems outlined by Pascale, Milleman and Gioja (1977) is that the burden of making a change initiative succeed , rests with too few people. Therefore, those who have a team lead role, should be focused on in as part of any change intervention, to ensure they are 'on side' and willing to champion the change initiative.

All change interventions need a clear vision for the future as well as getting the buy in of staff into the process together with their involvement in designing the strategy for change are critical elements to success. The establishment of supporting structures are also critical elements, together with setting up a monitoring and evaluation system to ensure the momentum is maintained. However, managing change is a learning process. Therefore the suggestions made in this OD intervention are based on the learning gained from many interventions which did not succeed. By implementing some of the frameworks suggested together with focusing on the impact change has on the whole organisation, barriers are likely to be overcome more easily and the results of the change intervention are likely to be much more successful.

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